TOWN OF SUNNYVALE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended September 30, 2024

TOWN OF
SUNNYVALE

TOWN OF SUNNYVALE, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTORY SECTION

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TOWN OF
SUNNYVALE
FINANCE DEPARTMENT
127 NORTH COLLINS
SUNNYVALE, TX 751182
972-203-4155

MARCH 10, 2025

To the Honorable Mayor and Town Council
Town of Sunnyvale, Texas

Submitted herewith is the Annual Comprehensive Financial Report (ACFR) of the Town of Sunnyvale (the "Town") for the fiscal year ended September 30, 2024. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. The data is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. To enable the reader to gain an understanding of the Town's financial activities, all necessary disclosures have been included.

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America established by the Governmental Accounting Standards Board (GASB). The ACFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Town's organizational chart, and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), the government-wide and fund financial statements, notes to basic financial statements, required supplemental information, other supplemental information, as well as the independent auditor's report on the basic financial statements. The Statistical section includes selected financial and demographic information which is presented on a multi-year basis.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A can be found immediately following the independent auditor's report. This transmittal is designed to complement the MD&A and should be read in conjunction with it.

THE REPORTING ENTITY

The Town was incorporated in 1953 under the general laws of the State of Texas. The Town operates under a council-manager form of government. Policy-making and legislative authority are vested in a governing council of the mayor and six (6) Councilmembers. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, and for overseeing the day-to-day operations of the Town.

The Town provides a full range of municipal services authorized by statute or charter. These services include police and fire protection, water and wastewater services, the construction and maintenance of streets, infrastructure and other related facilities, code enforcement, building inspections, parks and

recreation, library, public improvements, planning and zoning, economic development, and general administrative services.

The ACFR includes all the funds of the Town. This report includes all government activities, organizations, and functions for which the Town is financially accountable. The criteria used in determining activities to be reported within the Town's basic financial statements are based upon and consistent with those set forth by the GASB. Based upon these criteria, the Economic Development Corporation (EDC) is a discreetly presented component unit.

THE TOWN

The Town of Sunnyvale (the "Town" or "Sunnyvale") is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the Town's Home Rule Charter. The Town first adopted its Home Rule Charter in May 2013 and is required to appoint a citizens committee to review and recommend any changes to the charter every five years. The Town operates under a Council/Manager form of government with a Town Council comprised of the mayor and six Councilmembers. The mayor is elected for a two-year term and Town Councilmembers are elected for staggered three-year terms. The Town Manager is the chief administrative officer for the Town. The 2020 Census population for Sunnyvale was 8,062, and North Central Texas Council of Governments estimate for January 1, 2024, Sunnyvale's population was 9,092. The Town covers approximately 16.54 square miles.

The Town of Sunnyvale is a small, upscale community located about 15 miles east of downtown Dallas and is served by a major interstate highway I-80 bisecting the Town, and I-30 located five miles north. Sunnyvale is also bisected by Collins Road and Beltline Road giving easy access in all directions. Sunnyvale is uniquely situated to provide easy accessibility to the entire North Texas area with the expansion of the President George Bush Tollway east branch SH 190. This project is due to begin construction in 2026 and will pass along the east side of the Town proving easy access and close proximity to job opportunities in Dallas and the surrounding cities.

EDUCATION

The Sunnyvale Independent School District (the "District") consists of 1 high school serving grades 9 through 12; 1 middle school serving grades 6-8; 1 Intermediate school serving grades 3-5 and 1 elementary school serving Pre-K through 2. The District employs 264 people and currently has an enrollment of 2,294 children. The four District campuses are recognized for their achievements on the state standardized test and are rated Exemplary by the Texas Education Agency.

The Town is readily accessible to higher education facilities with many junior colleges, colleges and universities within commuting distance. The Texas Higher Education Coordinating Board has many college resources available at CollegeforallTexans.com and is a great resource for planning, financial aid, and applying to state universities.

HOUSING

The Town offers a diversity of new housing, ranging in price from $350,000 to over $2,500,000.

FINANCIAL INSTITUTIONS

One Bank presently serves the Town. Trinity Capital Bank a division of Ennis State Bank has branches located in Ennis, Sunnyvale, Forney and serves as the Town depository.

COMMUNITY SERVICES

Complete medical and dental treatment is available within the Town. Baylor Medical Center and Texas Family health, Ideal Dental, Align Integrated Health and Sunnyvale Family Medicine are all located in Sunnyvale.

The Town operates six municipal parks with numerous walking trails. Lake Ray Hubbard is 11 minutes' drive from the Town and is a multi-purpose water resource project covering approximately 22,000 acres. The recreational lake is great for fishing, skiing, relaxing and recreational boating. There are numerous parks located around the lake with plenty of beaches, hiking and biking trails and other outdoor activities. The Town aims to improve the quality of life for community residents and visitors by providing exceptional parks and recreational opportunities. These continued efforts result in the creation of safe, attractive, and innovative places for public recreational opportunities with jogging, walking, or biking across the open-air roads that is a rare treat in most urban environments. These luxuries are the pride of Sunnyvale's rural charm along with rolling pasture lands and sweeping meadows, to bring the feeling of leisure living.

The Metroplex offers a wide array of entertainment, cultural and sports activities, including the Dallas Zoo, Six Flags Over Texas, Dallas Symphony Orchestra, Dallas Theater Center, and many museums. Professional football, baseball, basketball, and soccer, as well as several college teams, are available to area residents.

INDUSTRY

Sunnyvale enjoys a solid industrial base with manufacturing centers as well as commercial and retail development that provide jobs and tax base for the Town. Associated Truss & Lumber Co, Daniel Steel Industries, Mcelroy Metal Inc. Performance Pulsation Control, Lineage Logistic, Adell of Texas and Dal Tile are a few of the industries that provide the workforce for the Town.

FINANCIAL PLANNING AND FISCAL POLICIES

The Town continues to update the master plans to guide the Town's long-term growth and financial planning. Significant master planning activity includes:

Comprehensive Plan Update	July 2017 – Currently under update
Water Master Plan	August 2015 – currently under update
Roadway Impact Fee Study	August 2020 – currently under update
Water/Wastewater Impact Fee Study	August 2020 – update schedule 2025
Water/Wastewater CIP Plan Development	January 2020 – update schedule 2025
Water and Sewer Master CIP Plan	under development
Parks Master Plan	April 2020
Capital Improvement Plan	June 2021 (updated annually during the budget)

Utilizing these plans, the Town annually updates a five-year capital improvement plan. The Town also maintains a staffing plan as part of the budget plan. These plans are used to determine budget allocations to the various departments and activities of the Town.

The Town's fund balance policy requires a minimum fund balance for numerous funds. The fund balance reserve plan is guiding the Town to meeting the fund balance reserve plans for each of the funds.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

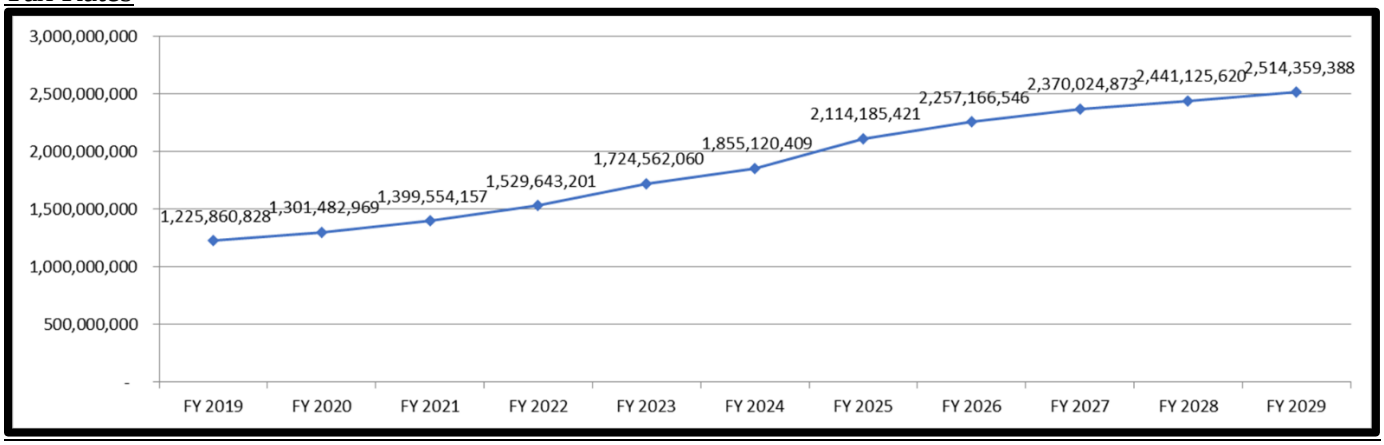
Town management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely

to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.
The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the liability is incurred. Proprietary operations are maintained on full accrual basis.

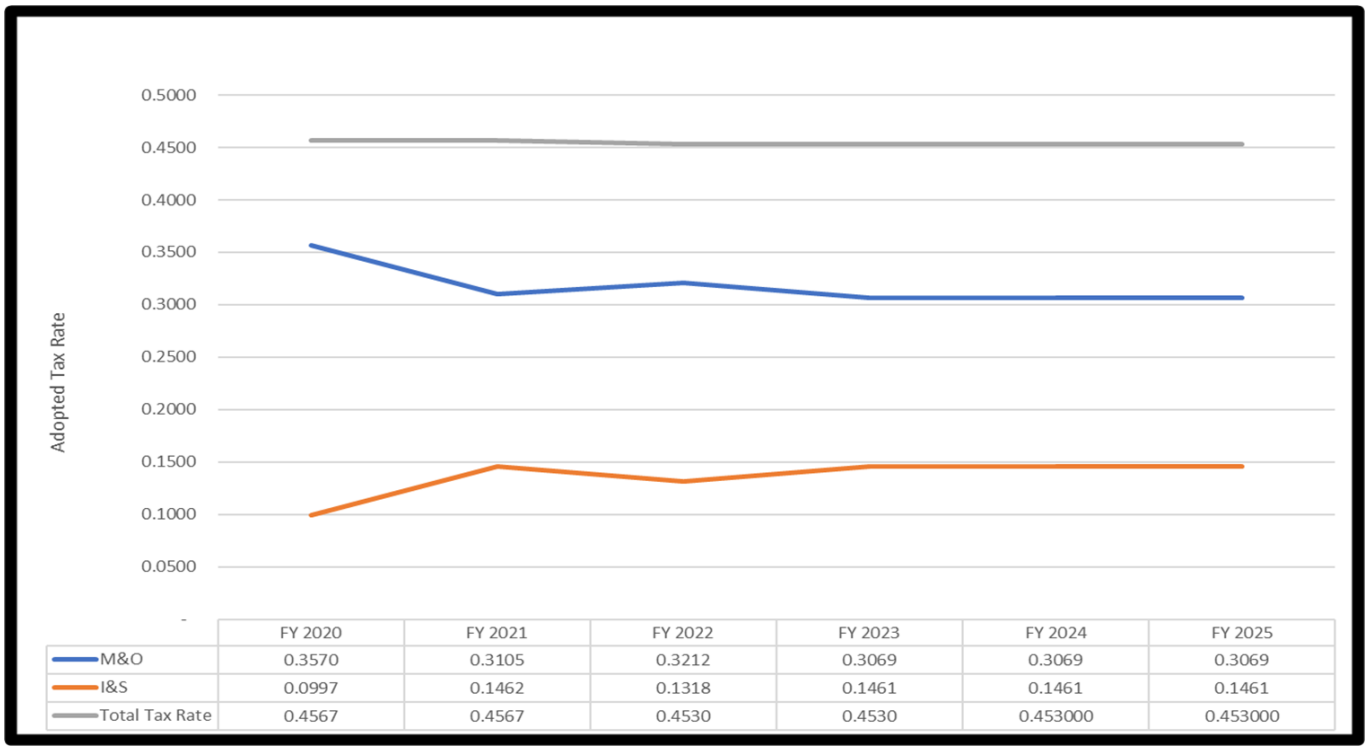
The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual budget approved by the Town Council. Activities of the general fund, special revenue funds and debt service funds are included in the annual budget. The budget is developed and controlled at the department level although appropriations are set at the fund level. Outstanding appropriation's lapse at fiscal year-end, and the subsequent year's budget must absorb the expenditures when incurred. Separate multi-year budgets are developed for the capital projects and major funds.

LONG-TERM FINANCIAL PLANNING

Tax Rates



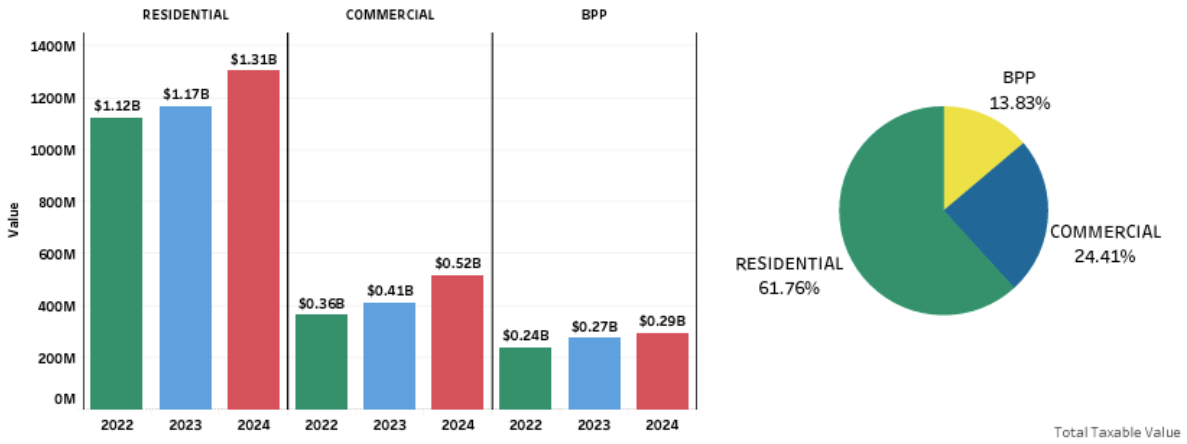
Five Year Tax Rate



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
M&O	0.3570	0.3105	0.3212	0.3069	0.3069	0.3069
I&S	0.0997	0.1462	0.1318	0.1461	0.1461	0.1461
Total Tax Rate	0.4567	0.4567	0.4530	0.4530	0.453000	0.453000

Total Taxable Value | 2024

Property Category	Tax Year					
	2022		2023		2024	
	Value	% of Total Value	Value	% of Total Value	Value	% of Total Value
COMMERCIAL	$361,135,215	20.94%	$413,461,393	22.29%	$516,162,016	24.41%
RESIDENTIAL	$1,124,200,322	65.19%	$1,169,010,487	63.02%	$1,305,732,802	61.76%
BPP	$239,226,523	13.87%	$272,648,529	14.70%	$292,290,603	13.83%
Total Certified Valuation	**$1,724,562,060**	**100.00%**	**$1,855,120,409**	**100.00%**	**$2,114,185,421**	**100.00%**



All eligible property within the Town of Sunnyvale is subject to assessment, levy, and collection by the town. In the Fiscal Year 2024 the Council adopted a 20% homestead exemption on all property in the Town and still maintained the same tax rate for the past 3 years. The growth in the taxable appraised value allowed the Town to give back to the community. The Town's total Taxable Value has increased from 2020 to $1.3 billion to $1.85 billion which is a 42% increase. The Town has maintained the same tax rate of 0.4530 for the last 3 years and is the second lowest in Dallas County. The plan is to continue to maintain the 0.45300 tax rate.

SALES TAX

Sales tax has doubled from $3.3 million to $7 million from 2020 to 2025. The Town expects to continue to see growth in sales tax in the future.

WATER RATES

The Town implemented a 4% rate increase effective January 1, 2025. Effective March the Town also implement a new Sewer average with a 12,000-gallon cap.

Residential

Minimum Monthly Fee

	Current	2025
3/4" and Less	$ 36.87	$38.71
1"	47.87	50.26
1 1/2"	69.95	73.45
2"	116.53	122.36

Volumetric Rate (per kgal)

0 - 2 kgal	$ -	$ -
2 - 20 kgal	3.10	3.26
20 - 30 kgal	3.42	3.59
30 - 40 kgal	6.17	6.48
40 - 50 kgal	7.40	7.77
50 - 60 kgal	7.72	8.11
60+ kgal	9.26	9.72

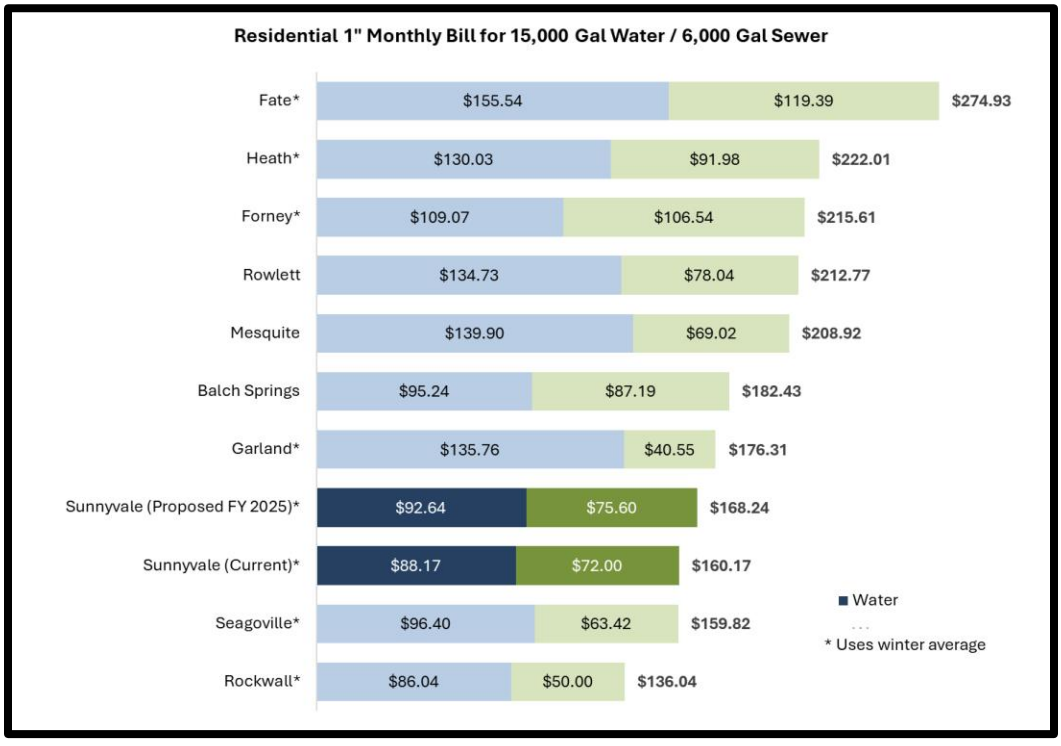
Residential Sewer *

Minimum Monthly Fee

	Current	2025
All connections	$ 40.00	$ 42.00

Volumetric Rate (per kgal)

0 - 2 kgal	$ -	$ -
2 - 5 kgal	8.00	8.40
5 - 12 kgal	8.00	8.40
12+ kgal -	-	-



The Town issued a 2024 Tax Note for $7,000,000 to fund the Clay Road rehab and U.S 80 bridge aesthetics.

OTHER INFORMATION

Independent Audit:

The Town Charter requires an annual audit of the books of account financial records and transactions of all departments of the Town. The Town charter specifies that such an audit be conducted by independent auditors selected by the Town Council. Patillo Brown and Hill, LLP. was selected by the Town Council to conduct this year's audit. The independent auditor's report on the basic financial statements is included in the financial section of this report.

Certificate of Achievement:

This is the seventh year the Town has submitted their comprehensive annual financial report ("ACFR") to be reviewed for the Certificate of Achievement. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Town has received the Certificate of Achievement for the Fiscal Year 2017, 2018, 2019, 2020, 2021, 2022 , 2023. We believe the current report conforms to the Certificate of Achievement program requirements and are submitting the 2024 ACFR to GFOA.

ACKNOWLEDGEMENTS

The Finance Department continues to try to reach new standards for financial reporting within the Town. The preparation of this report could not have been accomplished without the dedication and helpfulness of the staff. We would like to express our appreciation to all employees who assisted and contributed to its presentation.

We would also like to thank the members of the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible manner.

Respectfully Submitted

Miykael Reeve

Miykael Reeve, CGFO, CGFM
Director of Finance
Town of Sunnyvale

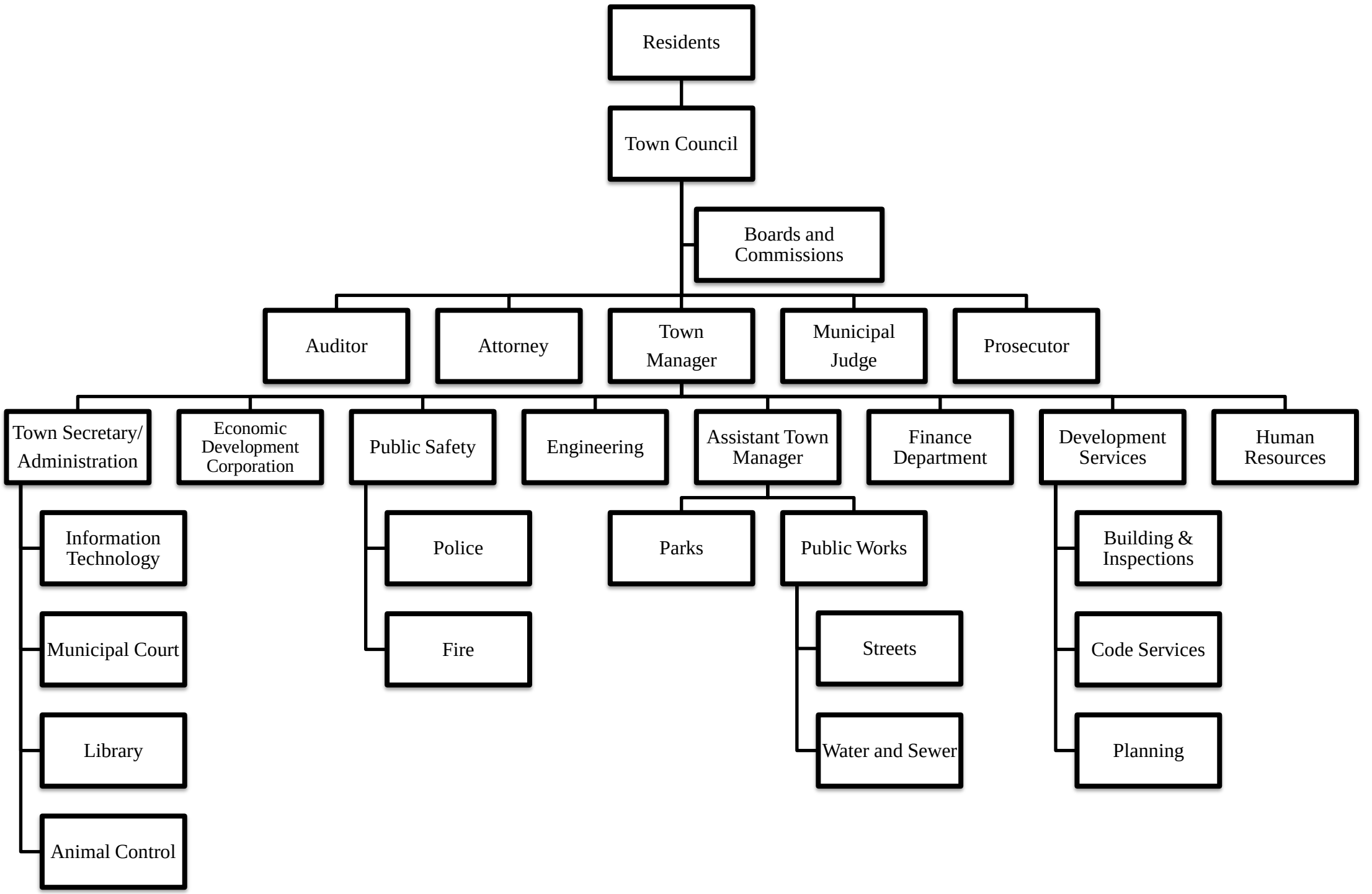
Prepared By:

Finance Department

Miykael Reeve, CGFO, CGFM
Director of Finance

Rachel Kulhavy, CGFO, CPFIM
Assistant Finance Director

Organization Chart



TOWN OF SUNNYVALE, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Town Council:

Saji George	Mayor
Ryan Finch	Mayor Pro-Term/Council Member Place 1
Kevin Clark	Council Member Place 2
Manu Danny	Council Member Place 3
Mark Eldridge	Council Member Place 4
Larry Allen	Council Member Place 5
Dr. George Woodrow Jr.	Council Member Place 6

Administrative Officers:

Jeff Jones	Town Manager
Mark Rauscher	Assistant Town Manager
Rachel Ramsey	Town Secretary
Miykael Reeve	Director of Finance

City Mailing Address: Town of Sunnyvale
127 N. Collins Rd
Sunnyvale, TX 75182

City Telephone: (972) 226-7177
City Fax: (972) 226-1804

* City Officials as of September 30, 2024

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Sunnyvale
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of Town Council
Town of Sunnyvale, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Sunnyvale, Texas (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Accounting Change

As described in the notes to the financial statements, in fiscal year 2024, the Town implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. Our opinions are not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 10, 2025

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MANAGEMENT'S
DISCUSSION AND ANALYSIS

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As management of the Town of Sunnyvale, Texas (the "Town"), we offer the readers of the Town or Sunnyvale's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $86,701,508 (net position). Of this amount, $62,703,785, or 72%, is net investment in capital assets. Net position restricted for specific purposes is $6,671,605, or 7.69%. The remaining unrestricted position of $17,326,118 may be used to meet the Town's ongoing obligations to its citizens and creditors in accordance with the Town's fiscal policies.

- The Town's total net position increased by $1,385,606 primarily due to increased property tax and grant revenues.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $18,199,612, a decrease of $7,544,188 in comparison with the prior year. Approximately 26% of this total amount, or $4,818,998, is available for spending at the Town's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the General fund of $4,818,998 was 32.97% of total general fund expenditures for the fiscal year.

- The Town's total long-term obligations increased by $4,413,857, or 15.0%, during the current fiscal year. The Town continued to make scheduled principal payments but also issued a new tax note in the amount of $6,560,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town using governmentwide financial statements and fund financial statements in addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Sunnyvale.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The statement of net position presents information on all of the Town of Sunnyvale's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales tax and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the utility services offered by the Town of Sunnyvale. The final category is the component units. The Town reports two component units, the 4A Development Corporation and the 4B Development Corporation. The 4A Development Corporation is no longer levying a sales tax, as a taxpayer vote in November 2020 authorized the transition to a 4B sales tax and the creation of the 4B Development Corporation. The financial statements present the activities of the 4B Corporation as well as the residual assets held by the 4A Development Corporation to liquidate its liabilities as they come due. The government-wide financial statements are on pages 15-18 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Sunnyvale, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance.

All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what funds are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs.

The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures. and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Sunnyvale adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. Budgetary information required by the General Statutes can also be found in this part of the statements. The Governmental Fund financial statements can be found on pages 16-21 of this report.

Proprietary Funds - The Town of Sunnyvale has one type of proprietary fund which is the Utility Fund. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 28-56 of this report.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Sunnyvale's budgets and progress in funding its obligation to provide pension and other post-employment benefits to its employees. This information is found on pages 57-66.

Supplementary Information - The combining statements referred to earlier in connection with the non-major governmental funds are presented following the required supplementary information on pensions and OPEB. Combining statements and individual fund statements can be found on pages 63-71. Fund financial statements for the component units can be found on pages 67-79.

Statistical Section - The statistical section consists of unaudited information that presents details as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health. These tables can be found on pages 80-110.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Town equaled $86,701,508 as of September 30, 2024. The Town's net position increased by $1,385,606 for fiscal year ended September 30. 2024. The following table presents a comparative summary of the Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2024 and 2023.

Town of Sunnyvale's Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 21,879,776	$ 33,992,756	$ 14,151,801	$ 13,296,269	$ 36,031,577	$ 47,289,025
Capital assets	56,006,672	44,357,142	33,847,827	32,286,195	89,854,499	76,643,337
Total assets	77,886,448	78,349,898	47,999,628	45,582,464	125,886,076	123,932,362
Deferred outflows of resources	740,802	929,776	105,443	186,000	846,245	1,115,776
Current and other liabilities	3,533,339	7,961,847	1,471,494	652,198	5,004,833	8,614,045
Long-term liabilities	29,376,936	24,901,925	5,350,935	5,960,109	34,727,871	30,862,034
Total liabilities	32,910,275	32,863,772	6,822,429	6,612,307	39,732,704	39,476,079
Deferred inflows of resources	260,964	213,456	37,145	42,701	298,109	256,157
Net position:						
Net investment in capital assets	34,228,041	26,469,224	28,475,744	26,576,673	62,703,785	53,045,897
Restricted	3,111,603	2,638,754	3,560,002	2,911,337	6,671,605	5,550,091
Unrestricted	8,116,367	17,094,468	9,209,751	9,625,446	17,326,118	26,719,914
Total net position	$ 45,456,011	$ 46,202,446	$ 41,245,497	$ 39,113,456	$ 86,701,508	$ 85,315,902

Net investment in capital assets:
72% of the Town's net position, or $62,703,785, reflects the Town's investment in capital assets (e.g. land, buildings, machinery and equipment) less any debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position:
Restricted net position of $6,671,605 is subject to external restrictions on how they may be used, or by enabling legislation. The restricted net position is comprised of $335,777 for economic development, $150,045 for debt service, $2,625,781 for road improvements, and $3,560,002 for water infrastructure installation.

Unrestricted net position:
Unrestricted net position of $17,326,118 is available to fund the Town programs to citizens and obligations to creditors.

Changes in Net Position - The following table presents a comparative summary of the Town's operations for the years ended September 30, 2024 and 2023.

Town of Sunnyvales Changes in Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 2,431,740	$ 2,141,941	$ 9,864,473	$ 9,652,308	$ 12,296,213	$ 11,794,249
Operating grants & contributions	1,025,045	526,018	-	-	1,025,045	526,018
Capital grants & contributions	-	460,000	99,876	68,440	99,876	528,440
General revenues:						
Property taxes	8,298,368	7,491,575	-	-	8,298,368	7,491,575
Other local taxes	5,977,686	6,047,164	-	-	5,977,686	6,047,164
Investment earnings	1,074,471	950,727	-	-	1,074,471	950,727
Miscellaneous	357,329	93,149	633,606	265,919	990,935	359,068
Total revenues	19,164,639	17,710,574	10,597,955	9,986,667	29,762,594	27,697,241
Expenses:						
General government	4,466,528	4,241,534	-	-	4,466,528	4,241,534
Public safety	10,003,994	8,110,993	-	-	10,003,994	8,110,993
Public Works	1,505,476	373,549	-	-	1,505,476	373,549
Public Services and Operations	2,056,257	1,494,637	-	-	2,056,257	1,494,637
Interest on long-term debt	639,621	628,273	-	-	639,621	628,273
Utility Fund	-	-	9,705,112	8,358,355	9,705,112	8,358,355
Total expenses	18,671,876	14,848,986	9,705,112	8,358,355	28,376,988	23,207,341
Revenues in Excess of Expenses	492,763	2,861,588	892,843	1,628,312	1,385,606	4,489,900
Transfers	(1,239,198)	3,941,337	1,239,198	(3,941,337)	-	-
Change in net position	(746,435)	6,802,925	2,132,041	(2,313,025)	1,385,606	4,489,900
Net position - beginning of year	46,202,446	38,124,284	39,113,456	41,336,287	85,315,902	79,460,571
Prior period adjustments	-	1,275,237	-	90,194	-	1,365,431
Net position - end of year	$ 45,456,011	$ 46,202,446	$ 41,245,497	$ 39,113,456	$ 86,701,508	$ 85,315,902

Governmental activities - Governmental activities decreased the Town's net position by $1,385,606. This decrease primarily resulted from one-time transfers made to the business-type activities to support certain infrastructure capital projects. Absent that transfer, net position increased. Revenues increased due to higher taxable property values, and an increase in grant revenues largely offset a slight decrease in sales tax revenues, which fluctuate under market conditions. Expenses increased primarily due to increases in pension expense, as well as salary increases and increased operating costs on newly-expanded facilities.

Business-type Activities - Business-type activities increased the Town's net position by $2,132,041, which is an increase of approximately 5.45% from the prior year. The primary cause of the increase was the transfer from the governmental activities described above, as well as increased charges for services revenues. That increase resulted from a slight rate increase, as well as increased demand as the Town continues to experience population growth.

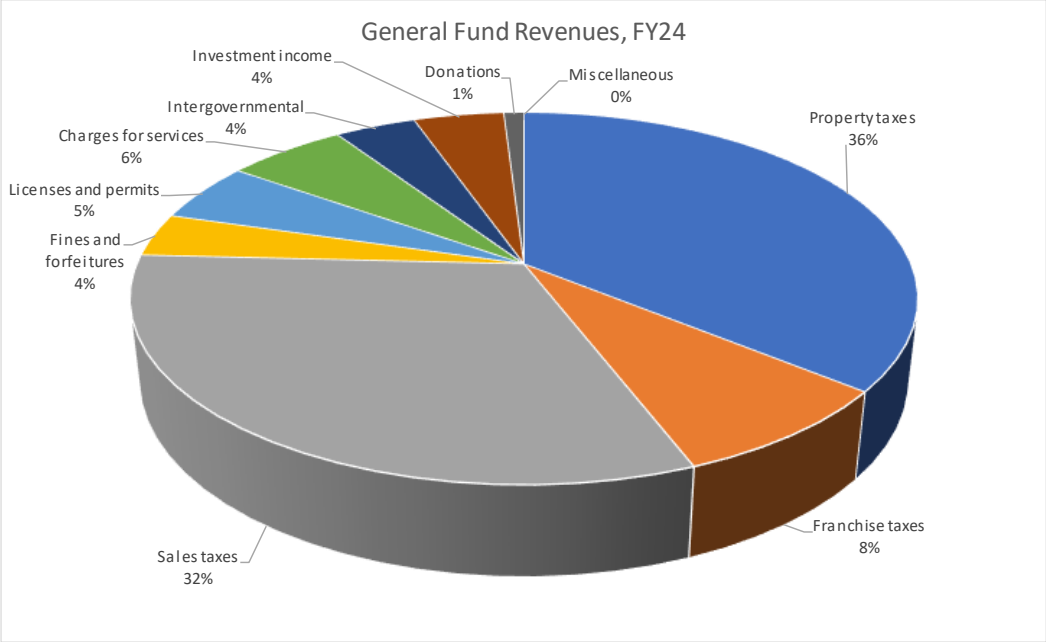
Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

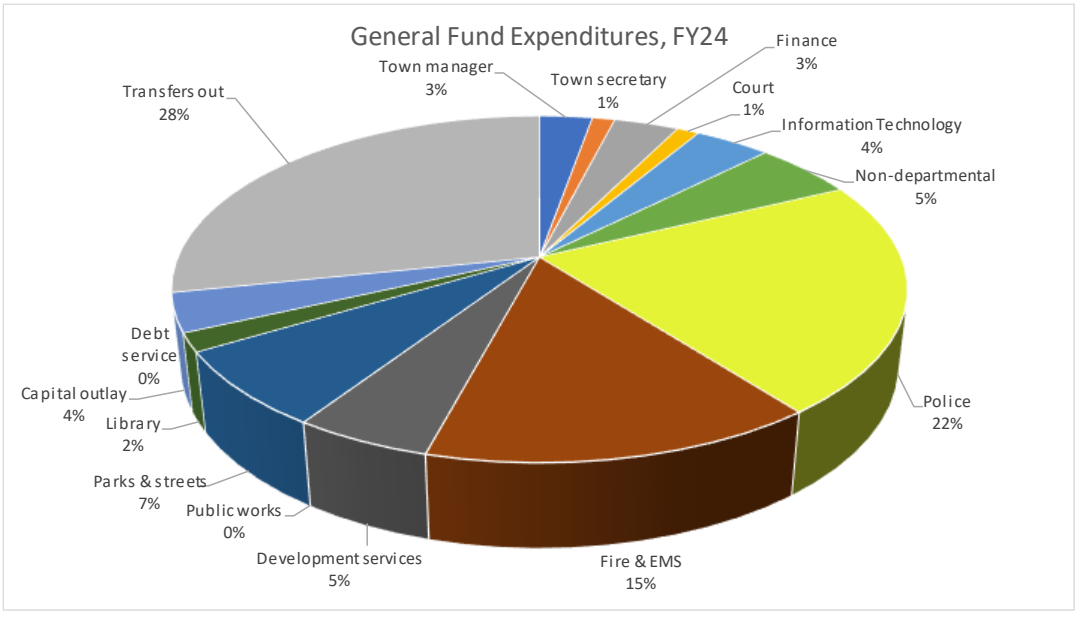
Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. Specifically, the unassigned fund balance may serve as a measure of net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of $18,199,612, a decrease of $7,544,188, or 29%, in comparison with the prior year. Of this amount, $4,818,998, or 26%, constitutes unassigned fund balance, which is available for spending at the Town's discretion. The Town has assigned fund balances of $3,542,611, or 19% for the following: $0 for capital and infrastructure improvements, $1,957,026 for vehicle replacements, and $1,585,585 for community services. A portion, $9,836,003, or 54%, of the fund balance is restricted to indicate that it is externally restricted for spending on specific purposes. Restricted fund balance consists of $14,840 for community services, $320,937 for economic development, $261,889 for debt service requirements, $9,238,337 for road maintenance and improvements. The remaining fund balance of $2,000, or 0.01% is considered non-spendable and represents prepaid assets.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,818,998. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 32.97% of the total general fund expenditures. The General Fund's fund balance decreased primarily due to the transfer to the proprietary funds describe previously. Property tax revenues have continued increasing as new development within the Town leads to increased assessed value.



General Fund expenditures are primarily for public safety, with police, fire, and EMS departments being the greatest cost centers. Public Works has also been a focus, Other major governmental funds of the Town are Debt Service, Capital Projects, and Special City Revenue funds.



The Debt Service Fund reported a decrease of fund balance of $47,695 or 15.41% for the year. This decrease was budgeted for, as fund balances were in excess of the amount needed to keep on hand for debt service requirements. Debt service expenditures are expected to remain relatively stable for several years as the City maintains a cycle of issuing tax notes for capital projects until a larger bond package is issued in the future.

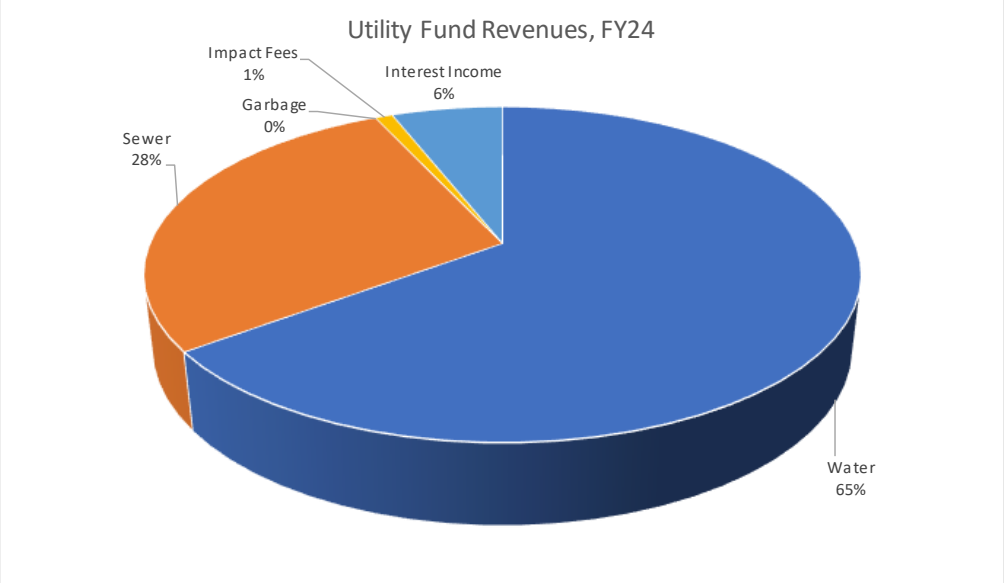
Capital projects fund balance decreased $3,740,652 or 36.13%. The Fund reported significant capital expenditures ($14.4 million) for multiple projects, which were largely funded by transfers from other funds as well as the issuance of a new tax note. Fund balances are expected to decrease as funds are spent on eligible project costs.

The ARPA Grant Fund was created in 2024 to track the grant funds received under the American Rescue Plan Act. The Town received funds up front, which are recognized as revenue as funds are spent. As such, the fund does not carry any fund balance. Amounts reported for cash and unearned revenue will decrease in the next several years, as funds are required to be spent by December 31, 2026.

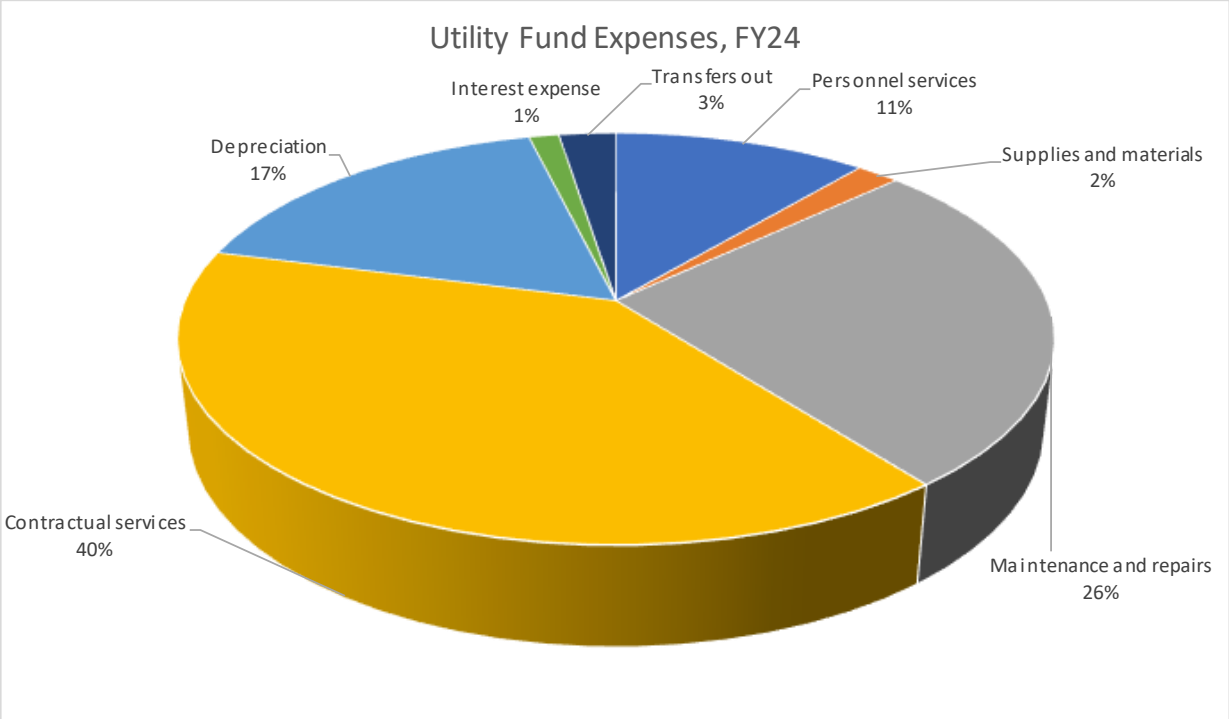
General Fund Budgetary Highlights: During the fiscal year, the Town made revisions to the budget. Generally, budget amendments fall into one of three categories: (l) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. For Fiscal Year 2024, there were no significant amendments to the budget.

Revenues were less than the budgeted amounts, primarily due to sales taxes increasing less than the amended budget projection. Expenditures were less than budgeted at the fund level.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to $9,209,751. Net position increased for the fiscal year by $2,132,041, primarily due to transfers from the General Fund to cover capital costs discussed previously.



Revenues and expenses were largely consistent with the prior year, with the greatest change being an increase in revenues resulting from rate increases and increased demand, as discussed previously.



Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024, totals $89,854,499 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery and equipment, vehicles, and construction in progress. This amount represents a net increase of $13,211,162, or 17%, (net of accumulated depreciation) over the prior fiscal year. Significant transactions involving capital assets primarily consisted of capital projects, with approximately $14.4 million expended on project costs. Non-project additions to capital assets consisted primarily of vehicle purchases, totaling approximately $484,000, and completed road and utility relocation projects totaling approximately $599,000.

Capital Assets September 30, 2024 (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 2,610,223	$ 2,610,223	$ 126,225	$ 126,225	$ 2,736,448	$ 2,736,448
Infrastructure	19,970,010	21,586,004	24,988,002	26,298,416	44,958,012	47,884,420
Buildings & Improvements	10,996,758	12,113,960	4,425,879	4,675,879	15,422,637	16,789,839
Machinery & Equipment	1,894,908	1,667,908	797,880	940,625	2,692,788	2,608,533
Construction in Progress	20,534,773	6,379,047	3,509,841	245,050	24,044,614	6,624,097
	$ 56,006,672	$ 44,357,142	$ 33,847,827	$ 32,286,195	$ 89,854,499	$ 76,643,337

More detailed information about the Town's capital assets is presented in the notes to the financial statements on pages 41-42.

Long-term obligations - As of September 30. 2024, the Town had total long-term debt outstanding of $33,918,129 which is an increase of $4,413,857, or 15.0%, from the previous year. During fiscal year 2024, the City issued one tax note, the Series 2024, at a total combined face value of $6,560,000. The note was issued to fund portions of the capital road improvement projects discussed in the previous section.

Outstanding Debt as of September 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds payable	$ 26,165,000	$ 21,535,000	$ 4,630,000	$ 5,060,000	$ 30,795,000	$ 26,595,000
Premium on bonds	2,021,168	1,773,301	546,522	589,527	2,567,690	2,362,828
Notes payable	-	-	47,989	59,995	47,989	59,995
Financed purchases	205,019	280,220	-	-	205,019	280,220
Compensated absences	276,901	181,981	25,530	24,248	302,431	206,229
	$ 28,668,088	$ 23,770,502	$ 5,250,041	$ 5,733,770	$ 33,918,129	$ 29,504,272

In August 2023, the Town received a rating of "AA+ Stable" from "AA stable" by S&P. This indicated excellent investment quality.

More detailed information about the Town's long-term obligations is presented on pages 43-45 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The information presented in this year's budget was intended to give the Council a clear financial picture of the plan moving forward for the next 5 years. With the help of the directors and staff, we are proud to present a budget that does not require a change to the tax rate and continues to provide enhanced services to our citizens. Revenues and Expenditures are conservative and consistent with established policies and ensure that the Town will have the tools to achieve the Council's goals.

Economic Conditions and Outlook

Sunnyvale continues to experience a strong and growing economy. Residents enjoy the benefits of small-town living combined with access to the Dallas-Fort Worth area's thriving business, cultural, and social districts in a quiet, family-oriented setting. Sunnyvale's population has grown by more than 8% since 2020 and its total tax base has more than doubled since 2013. Sunnyvale has a median household income of $152,632 and an average home market value of $662,575, the 4th highest in Dallas County.

Historically, the Town of Sunnyvale is a young community. However, this active and growing town has its roots in the settlement days of Texas. Four rural hamlets, Long Creek, New Hope, Hattersville, and Tripp, merged in 1953 to form Sunnyvale. The town has grown and developed since then, yet it has managed to preserve the rural charm of its early days through careful and strategic planning. Sunnyvale is characterized by its rural environment, low density, high quality of life, and welcoming, friendly atmosphere. As the community continues to grow, residents and leaders have outlined a vision to maintain the current standard of living, encouraging large-lot, quality development and preserving the open space and small-town charm that define the community.

Education and Quality of Life:

The Town of Sunnyvale and the school district are part of the foundation for the community's high quality of life. The Town ranks 6th among the top suburbs in Dallas according to an analysis by Stacker.com. Sunnyvale has an overall Niche.com Grade of A+, highlighting the Town's rural feel and highly rated schools. Niche.com ranks Sunnyvale as the 13th best suburb in Texas for raising a family and as one of the Top 5% of suburbs in America. Outdoor activities are also a highlight for Sunnyvale, with its growing network of walking and biking trails, family-friendly parks, and plentiful green space earning it a ranking as the No. 2 city in America for outdoor living by Dwellics.com.

Sunnyvale ISD, recognized as an Exemplary school district, is also a vital part of this dynamic, growing community, and is rated one of the Top 5 school districts in North Texas. SISD has a total enrollment of about 1,975 students on four campuses. For those seeking higher education opportunities, Sunnyvale is conveniently located within easy distance of Southern Methodist University, the University of Texas at Dallas, the University of Texas at Arlington, and all campuses of the Dallas County Community College District.

The Town offers a variety of recreational amenities at four beautiful parks. Jogging, walking, or biking across the open-air roads is a rare treat in most urban environments, but these luxuries are the pride of Sunnyvale and enhance its rural charm. With rolling pasture lands and sweeping meadows, it is easy to experience the true enjoyment of leisure living. The Town also hosts numerous family friendly celebrations and festivals, including Sunnyfest (Red, White & Boom), Veteran's Day, a Thanksgiving Day 5K Turkey Trot, and the annual Christmas Tree Lighting.

Residential Development:

The Town's 16-square-mile jurisdiction is less than 50 percent developed and characterized by custom, estate, and ranchette residential living. Sunnyvale is also the only community on Lake Ray Hubbard with an undeveloped shoreline. Sunnyvale has experienced rapid residential growth over the past ten years and this growth is expected to continue into the foreseeable future. Residential development has proceeded with hundreds of residences constructed every year, particularly in the Stoney Creek, Stone Canyon, and Homestead neighborhoods. In 2024, the Town issued 78 new single-family residential building permits, with a total fee of $1.377 million collected as revenue for the Town. New home construction is ongoing within the Stoney Creek subdivision, located east of N. Collins Road. The final phase of Stoney Creek, known as Las Brisas at Stoney Creek, has final grading, utility, and infrastructure installation completed this year with 30 new home permits being issued already. The last phase, Phase 7, of The Homestead master planned community, consisting of 34, minimum one-acre lots, was approved by Town Council during 2024. Lots are designed around beautiful open spaces, and hike and bike trail amenities, this project will attract high value, custom home builders to the Sunnyvale Community. Construction is anticipated to start during 2025.

Commercial Development:

Sunnyvale enjoys a solid industrial base with manufacturing centers, a regional medical center, and increasing commercial and retail development. The town is home to several companies providing jobs and a tax base for the community. Sunnyvale also enjoys prime areas for future development of retail, commercial, and industrial sites along US Highway 80, Belt Line Road, Clay Road, and Collins Road.

The Town has experienced rapid commercial and industrial growth, particularly along U.S. Highway 80 and Belt Line Road. High profile development projects underway or recently completed include Sunnyvale Park Square, a two-acre mixed-use development adjacent to Town Hall; Long Creek Crossing, a 10-acre master-planned development with Chick-fil-A, Starbucks, Panda Express and Burger King; and Sunnyvale Centre, a 75-acre master-planned development with the recent addition of QuikTrip and Whataburger. There are still undeveloped areas in the Town that are ripe for further commercial development. Attracting the right kind of commercial development that meets the high-quality expectations of the Sunnyvale community is one of the key challenges facing Sunnyvale.

Major Development Projects Approved or Completed in 2024

- Gateway Park & Tom Thumb - Sunnyvale's first grocery store, Tom Thumb, broke ground in November 2024. A zoning map amendment and a site plan application were approved to construct the 58,204 SF grocery store and a 24,500 SF retail building, located at the southeast corner of Town East Boulevard and Belt Line Road. Tom Thumb will be the anchor retail for Gateway Park, a $120 million project featuring 240,000 SF of mixed-use commercial sites. Site preparation and utility installation on this project has started with the grocery store scheduled opening by the end of 2025.
- The Story at Long Creek - Much anticipated, The Story at Long Creek, a 12,900 SF wedding/event venue, received its certificate of occupancy (CO) in August of 2024. This is a world-class facility with two large meeting spaces and catering services provided by the owner and operator of the venue.
- Daniel Steel - The 39,100 SF expansion of Daniel Steel Industries' main building at 4640 N Beltline Road was also completed in 2024. This will enable Daniel Steel, one of the top sales tax generators for the Town, to expand their operations.
- Clay Commerce - This 286,944 SF industrial building was completed in 2024, located at the corner of Clay and Long Creek Roads. The building will be the future home to HPG, one of the nation's largest producers of marketing and promotional products under ten different retail brands.
- Three more warehouse buildings, consisting of 501,572 SF, were also approved at 101 Clay Road just north of the Clay Commerce building. This project is anticipated to start construction in summer of 2025.

Next Year's Budget

Overall, the economic environment in Sunnyvale last year was generally favorable despite the challenges due to inflation, a falling interest rate environment and a reduction in sales tax remittance from the Town's industrial base. The Town has seen property values continuing to trend higher along with increases in fines and fees revenue, which helps offset the sales tax losses.

The budget was prepared with a conservative approach to allocating limited resources for the maximum benefit to the citizens of Sunnyvale. The budget is balanced between expenditures and revenues. It addresses inflationary pressures on wages, goods and services and also positions the Town to effectively maintain service levels in the face of potential recessionary pressures and is also well aligned with the Council's revised strategic plan and long-term financial plan. The tax rate of the proposed budget is maintained from the current year at $0.4530, which includes the same M&O (maintenance and operations) rate of $0.3069 and debt rate of $0.1461. The proposed budget and corresponding tax rate also continue the Town's policy of offering approximately $1 Billion in ad valorem exemptions to both commercial, industrial and residential property owners, which is the equivalent to $4.5 Million in unrealized tax revenue to the General Fund.

The proposed FY25 budget is $15,610,906 which represents a 3.9% growth compared to the FY24 budget of $15,024,445 and includes a contingency equivalent to one month of sales tax revenue for the General Fund of $405,000. Without this additional contingency, the proposed maintenance and operating budget only increases by 1.2% over the current budget. In addition, the fund balance in the General Fund has continued to grow, allowing for the proposed budget to include an increase in operating reserves from sixty (60) to ninety (90) days. The proposed budget is the first year in a 5-year plan that also reflects a growing unrestricted year-end fund balance, net of the new 90-day reserve, accumulating to a projected $2.4 million by 2030. Again, this reflects the Town operating in a fiscally conservative manner and still having the flexibility to mitigate any downturn in the economy while continuing to maintain service levels.

Distinguished Budget Award

The Town submitted its Annual Budget to the Government Finance Officer Association for eight consecutive years and has received the Distinguished Budget Presentation Award for October 1, 2017, through October 1, 2023. This award is valid for one year only and the Town has submitted its Annual Budget for the fiscal year beginning October 1, 2024, and plans to continue to submit the award in future years. This represents a great improvement in budget management within the Town.

RESERVES

Operating Reserves. Another measure of the Town's financial strength is the level of its fund balance, or operating reserves. Operating reserves are maintained by organizations to ensure services can be delivered during economic downturns, to address unforeseen expenditures in the case of an emergency or other event, and to take advantage of opportunities that may materialize outside of the budget process. It is important to maintain operating cash reserves so that service delivery will not be negatively impacted if the economy takes a downturn as 75% of the Town's revenue is generated by sales taxes and property taxes. It is the policy guidelines adopted by the Council for the reserved fund balance for General Fund to maintain 60 days of operating expenditures and we have an internal policy to maintain 90 days. For the Utility Fund we have a 60-day rate stabilization fund and a 60 day reserve of operating revenues. For the Fiscal year 2023 and 2024 the Town exceeded this policy.

Development Corporation Reserves. Operating reserves are maintained by the development corporations at 25% of sales tax revenue for the year. As sales tax is the only revenue source for the development corporations, 25% of revenue is held in reserve as a contingency amount should an economic downturn occur. For the Fiscal year 2024 and 2025 the Corporations have exceeded this policy.

Capital Projects

The objective of the 2025 budget was to maintain the same tax rate while improving overall service to citizens and continue to upgrade Town infrastructure. Debt was authorized for the current year to compete U.S 80 utility line relocation and Tripp road water improvements for $7 million.

Town Employees

Staffing levels for FY 2024 will increase by 12 positions from the previous fiscal year, and with the increase the Town currently supports 108.5 full-time.

Salary Adjustments

We believe it is important to be able to recruit and retain valuable staff by ensuring competitive compensation rates. Uniformed employees will receive step increases and other staff will receive an annual 3.5% increase on October 1st contingent upon their performance review and a 4% market adjustment pool. In addition, the Fire and Police starting pay has been updated to include an increase. This revision will allow the Town to retain and recruit qualified police officers and firefighters.

Benefits

Health insurance rates increased 4.2% for the Town and employee. The Town provides pension benefits for all its eligible employees through TMRS. The Town's contribution rates increased from 12.25% to 12.75%. The employee participation rate is 7%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration/Town Secretary, 127 N. Collins Rd. Sunnyvale, TX 75182.

http:/www.townofsunnyvale.org/412/publicinformation-request

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BASIC
FINANCIAL STATEMENTS

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government	
	Governmental Activities	Business-Type Activities
ASSETS		
Cash and investments	$ 10,773,777	$ 9,032,489
Receivables, net of allowances	1,439,333	1,611,967
Internal balances	52,657	(52,657)
Notes receivable	145,000	-
Prepaid items	2,000	-
Tax notes receivable	7,000,000	-
Restricted cash and cash equivalents	2,467,009	3,560,002
Capital assets (net of accumulated depreciation):		
Non-depreciable	23,144,996	3,636,066
Depreciable	32,861,676	30,211,761
Total assets	77,886,448	47,999,628
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	700,086	99,647
OPEB related - SDBF	33,816	4,814
OPEB related - retiree health	6,900	982
Total deferred outflows of resources	740,802	105,443
LIABILITIES		
Accounts payable	1,213,775	892,064
Accrued liabilities	82,719	156,567
Accrued interest payable	137,202	12,568
Unearned revenue	1,160,460	-
Due to other governments	939,183	-
Customer deposits	-	410,295
Noncurrent liabilities:		
Due within one year - long-term debt	2,238,255	468,387
Due in more than one year:		
Long-term debt	26,429,833	4,781,654
Net pension liability	433,957	61,767
Total OPEB liability - SDBF	126,173	17,959
Total OPEB liability - RHP	148,718	21,168
Total liabilities	32,910,275	6,822,429
DEFERRED INFLOWS OF RESOURCES		
Pension related	192,896	27,456
OPEB related - SDBF	46,156	6,570
OPEB related - retiree health	21,912	3,119
Total deferred inflows of resources	260,964	37,145
NET POSITION		
Net investment in capital assets	34,228,041	28,475,744
Restricted for:		
Economic development	335,777	-
Debt Service	150,045	-
Street Maintenance	2,625,781	-
Water infrastructure installation	-	3,560,002
Unrestricted	8,116,367	9,209,751
Total net position	$ 45,456,011	$ 41,245,497

The accompanying notes are an integral part of these financial statements.

Primary Government	Component Unit
Total	Component Units
$ 19,806,266	$ 4,941,524
3,051,300	297,086
-	-
145,000	-
2,000	-
7,000,000	-
6,027,011	-
26,781,062	-
63,073,437	-
125,886,076	5,238,610
799,733	-
38,630	-
7,882	-
846,245	-
2,105,839	16,801
239,286	-
149,770	-
1,160,460	-
939,183	-
410,295	-
2,706,642	35,000
31,211,487	110,000
495,724	-
144,132	-
169,886	-
39,732,704	161,801
220,352	-
52,726	-
25,031	-
298,109	-
62,703,785	-
335,777	5,076,809
150,045	-
2,625,781	-
3,560,002	-
17,326,118	-
$ 86,701,508	$ 5,076,809

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,466,528	$ 783,342	$ 873,937	$ -
Public safety	10,003,994	739,623	151,108	-
Public works	1,505,476	908,775	-	-
Public services and operations	2,056,257	-	-	-
Interest on long-term debt	639,621	-	-	-
Total governmental activities	18,671,876	2,431,740	1,025,045	-
Business-type activities:				
Utility Fund	9,705,112	9,864,473	-	99,876
Total business-type activities	9,705,112	9,864,473	-	99,876
Total Primary Government	$ 28,376,988	$ 12,296,213	$ 1,025,045	$ 99,876
Component Units	$ 1,001,948	$ -	$ -	$ -
General Revenues:				
Property Taxes				
Sales taxes				
Franchise taxes				
Miscellaneous				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
$ (2,809,249)	$ -	$ (2,809,249)	$ -
(9,113,263)	-	(9,113,263)	-
(596,701)	-	(596,701)	-
(2,056,257)	-	(2,056,257)	-
(639,621)	-	(639,621)	-
(15,215,091)	-	(15,215,091)	-
-	259,237	259,237	-
-	259,237	259,237	-
$ (15,215,091)	$ 259,237	$ (14,955,854)	$ -
			$ (1,001,948)
8,298,368	-	8,298,368	-
4,742,175	-	4,742,175	1,576,116
1,235,511	-	1,235,511	-
357,329	-	357,329	-
1,074,471	633,606	1,708,077	199,482
(1,239,198)	1,239,198	-	-
14,468,656	1,872,804	16,341,460	1,775,598
(746,435)	2,132,041	1,385,606	773,650
46,202,446	39,113,456	85,315,902	4,303,159
$ 45,456,011	$ 41,245,497	$ 86,701,508	$ 5,076,809

TOWN OF SUNNYVALE, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Debt Service	Capital Projects
ASSETS			
Cash and investments	$ 7,115,784	$ 161,048	$ -
Receivables (net for allowances for uncollectables):			
Taxes	1,256,496	38,824	-
Accounts	141,359	-	-
Note	-	145,000	-
Tax note proceeds	-	-	7,000,000
Prepaids	2,000	-	-
Due from other funds	147,125	87,375	-
Restricted cash and cash equivalents	-	-	-
Total assets	8,662,764	432,247	7,000,000
LIABILITIES			
Accounts payable	714,451	-	240,319
Accrued liabilities	82,719	-	-
Due to other governments	939,183	-	-
Due to other funds	34,718	-	147,125
Unearned revenue	-	-	-
Total liabilities	1,771,071	-	387,444
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	53,268	25,358	-
Unavailable revenue - courts	60,401	-	-
Unavailable revenue - notes receivable	-	145,000	-
Total deferred inflows of resources	113,669	170,358	-
FUND BALANCES			
Nonspendable:			
Prepaids	2,000	-	-
Restricted:			
Community services	-	-	-
Economic development	-	-	-
Capital improvements	-	-	6,612,556
Debt service	-	261,889	-
Assigned:			
Vehicle replacement	1,957,026	-	-
Community development	-	-	-
Unassigned	4,818,998	-	-
Total fund balances	6,778,024	261,889	6,612,556
Total liabilities, deferred inflows of resources, and fund balances	$ 8,662,764	$ 432,247	$ 7,000,000

The accompanying notes are an integral part of these financial statements.

ARPA Grants	Other Governmental Funds	Total Governmental Funds
$ 1,337,266	$ 2,159,679	$ 10,773,777
-	-	1,295,320
-	2,654	144,013
-	-	145,000
-	-	7,000,000
-	-	2,000
-	-	234,500
-	2,467,009	2,467,009
1,337,266	4,629,342	22,061,619
176,806	82,199	1,213,775
-	-	82,719
-	-	939,183
-	-	181,843
1,160,460	-	1,160,460
1,337,266	82,199	3,577,980
-	-	78,626
-	-	60,401
-	-	145,000
-	-	284,027
-	-	2,000
-	14,840	14,840
-	320,937	320,937
-	2,625,781	9,238,337
-	-	261,889
-	-	1,957,026
-	1,585,585	1,585,585
-	-	4,818,998
-	4,547,143	18,199,612
$ 1,337,266	$ 4,629,342	$ 22,061,619

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TOWN OF SUNNYVALE, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GEVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	$	18,199,612
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		56,006,672
Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(137,202)
Revenues earned but not yet available are reported as deferred inflows in the governmental funds, but are recognized as revenues for the governmental activities.		
Property taxes		78,626
Notes		145,000
Court fines and fees		60,401
Long-term liabilities, including bonds payable are not due and payable in the current period and; therefore are not reported in the funds.		
Bonds payable		(26,165,000)
Premium on bonds		(2,021,168)
Financing arrangements		(205,019)
Compensated absences		(276,901)
Net pension liability		(433,957)
Total OPEB liability - SDBF		(126,173)
Total OPEB liability - RHP		(148,718)
Included in the items related to long-term liabilities is the recognition of deferred outflows and deferred inflows of resources related to pensions and OPEB.		
Deferred outlows - pension		700,086
Deferred outlows - OPEB		40,716
Deferred inflows - pension		(192,896)
Deferred inflows - OPEB		(68,068)
Net Position of Governmental Activities-statement of net position	$	45,456,011

The accompanying notes are an integral part
of these financial statements.

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Debt Service	Capital Projects
REVENUES			
Property taxes	$ 5,358,562	$ 2,599,575	$ -
Franchise taxes	1,235,511	-	-
Sales taxes	4,742,175	-	-
Fines and forfeitures	561,975	-	-
Impact fees	-	-	-
Licenses and permits	775,153	-	-
Charges for services	877,872	-	-
Intergovernmental	594,233	36,400	-
Investment income	662,712	40,573	198,395
Miscellaneous	148,105	-	-
Total revenues	14,956,298	2,676,548	198,395
EXPENDITURES			
Current:			
General government	3,296,830	-	-
Public safety	7,799,617	-	-
Public works	1,229,283	-	-
Public services and operations	1,574,091	-	-
Capital outlay:			
General government	642,894	-	-
Public works	-	-	14,490,733
Debt service:			
Principal retirement	67,083	1,930,000	-
Interest	8,118	794,243	-
Bond issuance cost	-	-	140,242
Total expenditures	14,617,916	2,724,243	14,630,975
Excess (deficiency) of revenues over expenditures	338,382	(47,695)	(14,432,580)
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	-	5,040,884
Transfers out	(5,040,884)	-	(1,489,198)
Issuance of tax notes	-	-	6,560,000
Premium on tax notes	-	-	580,242
Total other financing sources (uses)	(4,790,884)	-	10,691,928
NET CHANGE IN FUND BALANCES	(4,452,502)	(47,695)	(3,740,652)
FUND BALANCES, BEGINNING, AS PREVIOUSLY REPORTED	11,230,526	309,584	10,353,208
ADJUSTMENTS			
Change within the financial reporting entity	-	-	-
FUND BALANCES, BEGINNING, AS RESTATED	11,230,526	309,584	10,353,208
FUND BALANCES, ENDING	$ 6,778,024	$ 261,889	$ 6,612,556

* Formerly a major fund.

The accompanying notes are an integral part of these financial statements.

Special Revenue*	ARPA Grants	Other Governmental Funds	Total Governmental Funds
	$ -	$ 316,843	$ 8,274,980
	-	-	1,235,511
	-	-	4,742,175
	-	60,376	622,351
	-	261,287	261,287
	-	-	775,153
	-	-	877,872
	337,434	78,216	1,046,283
	-	172,791	1,074,471
	-	209,224	357,329
	337,434	1,098,737	19,267,412
	11,271	72,524	3,380,625
	-	-	7,799,617
	-	-	1,229,283
	-	-	1,574,091
	326,163	329,552	1,298,609
	-	-	14,490,733
	-	-	1,997,083
	-	-	802,361
	-	-	140,242
	337,434	402,076	32,712,644
	-	696,661	(13,445,232)
	-	-	5,290,884
	-	-	(6,530,082)
	-	-	6,560,000
	-	-	580,242
	-	-	5,901,044
	-	696,661	(7,544,188)
177,349	-	3,673,133	25,743,800
(177,349)	-	177,349	-
-	-	3,850,482	25,743,800
$ -	$ -	$ 4,547,143	$ 18,199,612

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TOWN OF SUNNYVALE, TEXAS

RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Changes in Fund Balances - Governmental Funds	$	(7,544,188)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay		14,768,444
Depreciation		(3,118,914)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.		
Property taxes		23,388
Notes		(30,000)
Court fines and fees		(96,161)
The issuance of long-term debt (e.g. bond proceeds) provides current financial resources to governmental funds, while the repayment of the principal consumes current financial resources. Neither transaction, however, has any effect on net position. Also, while the governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.		
Issuance of debt		(6,560,000)
Premium on debt issuance		(580,242)
Principal repayment		2,005,201
Amortization of premiums and discounts		332,375
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the funds.		
Accrued interest		(37,511)
Compensated absences		(94,920)
Pension expense		227,736
OPEB expense		(41,643)
Changes in net position-statement of activities	$	(746,435)

The accompanying notes are an integral part of these financial statements.

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Fund Utility
ASSETS	
Current assets:	
Cash and investments	$ 9,032,489
Restricted cash and cash equivalents	3,560,002
Receivable (net of allowances for uncollectables)	1,611,967
Due from other funds	34,718
Total current assets	14,239,176
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Non-depreciable	3,636,066
Depreciable	30,211,761
Total capital assets, net of accumulated depreciation	33,847,827
Total noncurrent assets	33,847,827
Total assets	48,087,003
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	99,647
OPEB related - SDBF	4,814
OPEB related - retiree health	982
Total deferred outflows of resources	105,443
LIABILITIES	
Current liabilities:	
Accounts payable	892,064
Due to other funds	87,375
Customer deposits	410,295
Accrued liabilities	156,567
Accrued interest payable	12,568
Compensated absences - current	6,383
Notes payable - current	12,004
Bonds payable - current	450,000
Total current liabilities	2,027,256
Noncurrent liabilities:	
Compensated absences	19,147
Net Pension liability	61,767
Total OPEB liability - SDBF	17,959
Total OPEB liability - retiree health	21,168
Notes payable	35,985
Bonds payable	4,726,522
Total noncurrent liabilities	4,882,548
Total liabilities	6,909,804
DEFERRED INFLOWS OF RESOURCES	
Pension related	27,456
OPEB related - SDBF	6,570
OPEB related - retiree health	3,119
Total deferred inflows of resources	37,145
NET POSITION	
Net investment in capital assets	28,475,744
Restricted for Water infrastructure installation	3,560,002
Unrestricted	9,209,751
Total net position	$ 41,245,497

The accompanying notes are an integral part of these financial statements.

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Fund Utility
OPERATING REVENUES	
Charges for services:	
Water Sales	$ 6,870,828
Sewer Sales	2,993,645
Total operating revenues	9,864,473
OPERATING EXPENSES	
Personnel services	1,112,045
Supplies and materials	187,829
Maintenance and repairs	2,630,893
Contractual services	3,939,526
Depreciation	1,703,156
Total operating expenses	9,573,449
Operating income (loss)	291,024
NON-OPERATING REVENUES (EXPENSES)	
Investment income	633,606
Interest expense	(131,663)
Total non-operating revenues (expenses)	501,943
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	792,967
Capital contributions - impact fees	99,876
Transfers in	1,489,198
Transfers out	(250,000)
CHANGE IN NET POSITION	2,132,041
NET POSITION - BEGINNING	39,113,456
NET POSITION - ENDING	$ 41,245,497

The accompanying notes are an integral part of these financial statements.

TOWN OF SUNNYVALE, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities Enterprise Fund Utility
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 9,902,293
Cash paid to employees	(1,152,212)
Cash paid for goods and services	(6,089,083)
Net cash provided (used) by operating activities	2,660,998
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other funds	1,493,248
Cash paid to other funds	(749,168)
Net cash provided (used) by noncapital financing activities	744,080
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(3,117,216)
Interest and fiscal charges on debt	(186,725)
Capital contributions	99,876
Principal payments on bonds	(442,006)
Net cash provided (used) by capital and related financing activities	(3,646,071)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	633,606
Net cash provided (used) by investing activities	633,606
Net (decrease) increase in cash and cash equivalents	392,613
Cash and cash equivalents, Beginning	12,199,878
Cash and cash equivalents, Ending	12,592,491
Classified as:	
Current	9,032,489
Restricted	3,560,002
Total cash and cash equivalents	12,592,491
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	291,024
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,703,156
Change in Assets and Liabilities:	
Increase (decrease) in assets:	
Decrease (increase) in customer receivable	32,199
Decrease (increase) in deferred outflows - pensions	80,264
Decrease (increase) in deferred outflows - OPEB	293
Increase (decrease) in accounts payable	669,165
Increase (decrease) in accrued liabilities	8,995
Increase (decrease) in customer deposits	5,621
Increase (decrease) in net pension liability	(121,831)
Increase (decrease) in total OPEB liabilities	(3,614)
Increase (decrease) in compensated absences	1,282
Increase (decrease) in deferred inlows - pensions	(5,793)
Increase (decrease) in deferred inlows - OPEB	237
Net cash provided (used) by operating activities	$ 2,660,998

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

The Town of Sunnyvale ("Town") is a municipal corporation governed by an elected mayor and a six-member Council. The Town provides the following services to the citizens of the Town as authorized by its chatter: public safety (police and fire), public works, parks and recreation, water and sewer utilities, and general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to the state and local governments. Generally accepted accounting principles for local government include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled State and Local Governments-Audit and Accounting Guide. The more significant accounting policies or the Town are described below:

A. Reporting Entity

The Town is a municipal corporation governed by an elected mayor and six-member Council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Town is a financial reporting entity as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units."

Under GASB Statement No. 14, component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB Statement No. 14 by including entities which meet all three of the following requirements.

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents;
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization;
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to other access, are significant to the primary government.

The financial statements of the following component units have been ''discretely presented'' within the accompanying report because (i) their governing boards are not substantially the same as the governing body of the Town, or (ii) the component units provide services entirely or almost entirely to the citizenry.

Discretely Presented Component Unit

The Town has two discretely presented component units, the 4A and 4B Economic Development Corporations. The component units described below are included in the Town's reporting entity because the Town appoints the governing body, and the Corporations are fiscally dependent on the Town. To emphasize that the component units are legally separate from the Town, they are reported in a separate column within the financial statements. Fund information for the component units can be found in the supplementary information in this report. There are no separate financial statements issued for the component unit.

The Sunnyvale 4B Development Corporation is responsible for collecting and disbursing the one-half of one percent sales tax to be used for economic incentives, and development and improvement in the quality of life for its citizens. The members of the Corporation's board serve at the pleasure of the Town Council. The Sunnyvale 4A Development Corporation preceded the 4B corporation and no longer levies a tax; the 4A corporation’s remaining assets are being held to liquidate the Corporation’s long-term pledges as they come due.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be included as a component unit if management's professional judgment determines it to be necessary and misleading if it were to be omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

B. Basis of Presentation, Basis of Accounting

The basic financial statements are prepared in conformity with GASB Statement No. 34 which requires that the government-wide financial statements to be prepared using the accrual basis of accounting, and the economic resources measurement focus. Government-wide financial statements do not provide information by fund but distinguish between the Town's governmental activities and business-type activities on the statement of net position and statement of activities. Significantly, the Town’s statement of net position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the Town's capital assets, including infrastructure.

In addition to the government-wide financial statements, the Town has prepared fund financial statements, which use the modified accrual basis of accounting, and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned, and when expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis includes an analytical overview of the Town's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended budget with actual results for the General Fund.

The basic financial statements include both government-wide, based on the Town as a whole, and fund financial statements, The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost, by function or business-type activity, is normally covered by general revenue (property and sales taxes, franchise taxes, and interest income).

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, and major individual proprietary funds are reported as separate columns within the fund financial statements. The major governmental funds are the General Fund, the Debt Service Fund, the Capital Projects Fund, and the ARPA Grants Fund. The major proprietary fund is the Utility Fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The nonmajor funds are combined in a separate column within the fund financial statements. With the adoption of GASB Statement No. 63, the presentation of deferred inflows/outflows is included in this calculation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the Utility Fund are charges to customers for sales and services. The Utility Fund also recognizes, as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the costs of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

The government-wide focus is more on the sustainability of the Town as an entity, and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported within the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting, as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities, (whether current or noncurrent), are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred, regardless of the timing of cash flows.

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its discretely presented component units.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

Governmental activities, which are normally supported by property, sales and franchise taxes, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Significant revenues generated from business-type activities include: charges to customers for water and wastewater services, municipal drainage services and charges for solid waste services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of Town government. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues in the statement of activities.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available when they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable shortly after year end, as required by GASB Interpretation No. 6.

Ad valorem, franchise, and sales tax revenues recorded in the General Fund, and ad valorem tax revenues recorded in the Debt Service Fund, are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources, and the related liabilities, except those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The following is a description of the Town's major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund. All general tax revenues, and other receipts that are not restricted by law or contractual agreement to some other fund, are accounted for in this fund. General operating expenditures, fixed charges, and capital improvements costs, that are not paid through other funds, are paid from this fund.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest, and related cost on long term obligation debt of governmental funds.

Capital Projects Fund – The Capital Projects Fund accounts for the accumulation of resources used for the acquisition and/or construction of capital facilities of the Town except for those financed by proprietary funds.

ARPA Grants Fund – This fund accounts for program funds and expenditures for the Coronavirus State and Local Fiscal Recovery Fund grant.

Proprietary funds are accounted for on a flow of economic resources measurement focus. Within the economic measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases, (e.g., revenues), and decreases, (e.g., expenses), in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenues of the Town's water and sewer services are charges to customers for sales and services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses, not meeting this definition, are reported as nonoperating revenues and expenses. The following is a description of the proprietary fund:

Utility Fund - The Utility Fund accounts for the activities water and wastewater operations that are intended to be self-supporting on a user charge basis.

F. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of one year or less from the date of acquisition.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles. Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and are reported as Internal Balances. Legally authorized transfers are treated as transfers and are included in the results of operations of both governmental and proprietary funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law, through constitutional provisions or enabling legislation. Restricted assets in the proprietary fund represent cash and cash equivalents, and investments set aside for repayment of customer's water/sewer deposits, impact fees, and various bond covenants. Impact fees are the capital recovery fees that are, by law, restricted to the projects these funds may be used to support.

Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased, or acquired, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. The Town defines capital assets as assets with an estimated useful life in excess of two years and an initial, individual value greater than $5,000. Additionally, the Town's policy is to capitalize groups of assets, regardless of the individual cost of the item, when the total cost of the group purchase exceeds $100,000. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed assets are recorded at acquisition value as of the date donated. Additions, improvements, and other capital outlays, that significantly extend the useful life of an asset, are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current fiscal year.

Assets capitalized have an original cost of $5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Use Lives (Years)
Buildings	40 years
Building Improvements	10-40 years
Machinery & Equipment	3-5 years
Infrastructure	40-50 years
Vehicles/Apparatus	10-15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial pension and OPEB assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting in this category.

- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial pension and OPEB assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Difference between projected and actual investment pension earnings – This difference is deferred and amortized over a five-year period.

- Deferred inflows related to leases arise from the recognition of the discounted future lease payments on lessor agreements. These amounts are recognized in lease income straight-line over the assessed life of the lease.

- The Town has one type of item that arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, municipal court fines, and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

It is the government's policy to permit employees with at least six months of continuous service to accumulate earned but unused vacation pay benefits, not to exceed two times the rate of the employees' annual rate of accrual based on years of service. It is the Town's policy to pay all vacation leave and compensatory time (for non-exempt employees) regardless of whether the termination was voluntary or involuntary. All sick and vacation pay is accrued when incurred within the government-wide and proprietary fund financial statements. As such, there is an accrual at the close of the fiscal year in the government-wide and proprietary fund financial statements for the amount due to all employees as of September 30, 2024. No unused holiday leave will be paid upon termination of employment.

Pension

In government-wide financial statements, retirement plans (pension) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amounts recognized as pension expenditures.

For purposes of measuring the net pension liability, and deferred inflows/outflows of resources, relating to pension expense, information about the fiduciary net position of the Town's pension plan with TMRS, and additions/deductions from the plan's fiduciary net position, have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expenses. Differences between projected and actual investment earnings are reported as deferred inflows of resources, or deferred outflows of resources, and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

Other Post-Employment Benefits (OPEB)

Supplemental Death Benefit Fund. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the Town for benefits due and payable that are not reimbursed by plan assets. Information regarding the Town's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

Long-term Debt

In the government-wide financial statements, and proprietary fund types within the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. The Town has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bonds payables are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

Within the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position within the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Policies

In the fund financial statements, governmental funds report reservations of fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Town is bound to honor constraints on how specific amounts can be spent.

- Non-spendable fund balance - includes the portion of net resources that cannot be spent because of its form (i.e., inventory, long-term loans, or prepaids), or because they must remain intact.

- Restricted fund balance - includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers, or as allowed by law through constitutional provisions or enabling legislation.

- Committed fund balance - includes the portion of net resources that can only be used for a specific purpose, determined by a resolution or ordinance of the Town Council, and that remains binding unless removed in the same manner. The resolution must be approved before the commitment will be reflected on the financial statements.

- Assigned fund balance - includes the portion of net resources for which an intended use has been established by the Town Council or the Town Manager. Assignment of fund balance is much less formal than commitments and does not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed, which indicates that resources are, at a minimum, intended to be used for the purpose of that fund, as directed by the Town Council, or the Town Manager.

- Unassigned fund balance - includes the amounts within the General Fund in excess of what can properly be classified in one of the other categories of fund balance. It is the residual classification of the General Fund, and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment, committed fund balance, or an assignment, assigned fund balance.

The purpose of the Town's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unprecedented one-time expenditures.

It is the long-term goal of the Town to maintain a minimum unassigned fund balance in the General Fund equivalent to no less than 66% of operating expenses. As of September 30, 2024, the Town’s unassigned fund balance in the General Fund was approximately 33% of General Fund expenditures.

Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources, the total of committed, assigned and unassigned fund balance. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance within the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider any restricted fund balance to have been depleted before using any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed.

Property Taxes

The Town's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real and personal property. Appraised values are established by the Dallas Central Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Dallas County Appraisal District bills for the property taxes, which are due October 1. Full payment must be made prior to the next January 31, to avoid penalty or interest charges. Over time, substantially all property taxes are collected. Revenues are recognized as ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as a revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the Town may, at its own expense, require annual reviews of appraisal values. The Town may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the Town continues to set tax rates on Town property. However, if the adopted tax rate is above the voter approval tax rate, but below the de minimis rate, qualified voters of the Town may petition for an election per the Senate Bill 2, 86th Legislative Session that made several significant changes to the truth-in-taxation process.

For the fiscal year ended September 30, 2024, the Town had a tax rate of $0.4530 per $100 assessed values.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In, and Transfers Out, are netted, and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

Program Revenue

Certain revenues such as charges for services and impact fees are included in program revenues.

Program Expenses

Certain indirect costs, such as administrative costs, are included in the program expense reported for individual functional activities.

Change in Accounting Principle

During fiscal year 2024, the Town adopted the following new accounting guidance:

- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, was adopted effective October 1, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

2. Cash and Investments

The Town's funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with the Town's agent approved pledged securities authorized by Chapter 2257, "Collateral for Public Fund of the Government Code", in an amount sufficient to protect the Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC").

At September 30, 2024, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $15,484,193 and the bank balance was $15,524,447. Both the Town and component unit's cash deposits at September 30, 2024 and during the year ended September 30, 2024, were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Cash and investments as of September 30, 2024 consist of the following:

Investment Type	Reported Value	Valuation Method	Rating as of Year End	Weighted Average Maturity (Days)
LOGIC	$ 5,756,751	NAV	AAA	48
Texas Class	8,585,358	NAV	AAAm	83
Certificates of deposit	2,000,000	Cost	N/A	22
U.S. Agency Securities	6,703,850	Fair Value Level 1	various	236
Subtotal	23,045,959			
Plus: depository cash	7,728,842			
Total cash and investments	$ 30,774,801			

Amounts reported as restricted cash as of September 30, 2024, consist of the following:

	Carrying Value
Governmental- Restricted Cash	
PEG capital	$ 14,840
Capital Projects	2,452,169
Total Governmental	2,467,009
Business-type- Restricted Cash	
Water Infrastructure Installation	3,560,002
Total Business-type	3,560,002
Total Restricted cash	$ 6,027,011

Investments

The Public Funds Investment Act ("Act") (Government Code Chapter 2256) requires the Town to have an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Town adhered to the requirements of the Act. Additionally, investment practices of the Town were in accordance with local policies.

Currently, all of the Town's pooled investments are with Local Government Investment Cooperative ("LOGIC") and Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"). LOGIC is administered by Hilltop Securities and JP Morgan Chase. Together, these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. LOGIC is rated AAA by Standard & Poor's. Texas CLASS is administered by Public Trust Advisors, LLC and was created specifically for the use of Texas local government entities, seeking to provide safety, liquidity, convenience, and competitive rates of return. Texas CLASS is rated AAAm by Standard & Poor's.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Town to require full collateralization of all Town investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities.

In order to anticipate market changes and provide a level of security for all funds, it is the Town's policy that the market value of investments securing the deposit of funds shall be at least equal to or not less than 102% of the amount of the deposit of funds, reduced to the extent that the deposits are insured by the FDIC. The market value of collateral will always equal or exceed the principal and accrued interest of deposits at financial institutions. At its discretion, the Town may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the Town has a current custodial agreement. As of September 30, 2024, the Town is in compliance with this policy.

Credit Risk. Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements and the actual rating as of year-end for each investment type.

The Town will minimize credit risk, the risk of loss due to the failure of security issuer or backer by:

- Limiting investment to the safest types of securities;
- Pre-qualifying the financial institutions and broker/dealers with which the Town will do business;
- Diversifying the investment portfolio so that potential loss on individual securities will be minimized.

Interest Rate Risk. Investment rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its market value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter-term investments with an average maturity of less than 60 days, thus reducing interest rate risk. The Town monitors interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town's investment policy has no specific limitations with respect to this metric.

Fair Value. Investments of the Town are recognized at fair value, except for amounts deposited with investment pools, which are measured at net asset value, which approximates fair value. The Town invests in LOGIC and Texas Class investment pools, which maintain a stable NAV of $1 per share. The Town has no unfunded commitments to these pools and may redeem investments at any time. The pools have a redemption notice period of one day and may be redeemed daily. The pools' authority may only impose restrictions on redemption in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects the pools' liquidity.

The Town is required to disclose the fair value of its investments within the fair value hierarchy established by GASB 72. In the fair value hierarchy, there are three levels: 1) Inputs that are quoted prices (unadjusted) for identical assets, or liabilities in active markets that a government can access at the measurement date, 2) inputs (other than quoted prices included within level one) that are observable for an asset or liability, either directly or indirectly, 3) unobservable inputs for an asset or liability.

3. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Utility Fund	Total
Receivables:					
Taxes	$ 1,258,538	$ 39,819	$ -	$ -	$ 1,298,357
Fees and Charges	2,690,799	-	-	1,630,918	4,321,717
Notes	-	145,000	-	-	145,000
Tax note proceeds	-	-	7,000,000	-	7,000,000
Gross Receivables	3,949,337	184,819	7,000,000	1,630,918	12,765,074
Less:					
Allowance for uncollectibles	(2,551,482)	(995)	-	(18,951)	(2,571,428)
Net Total Receivables	$ 1,397,855	$ 183,824	$ 7,000,000	$ 1,611,967	$10,193,646

Allowance for uncollectible amounts: Approximately 99%, or $2,549,440, of the allowance represents older outstanding court warrants that that have been deemed as potentially uncollectible.

Amounts reported for tax note proceeds receivable relate to the issuance of the Town's Tax Notes, Series 2024. The long-term debt was recognized due to the notes being dated and priced in September 2024, but the closing did not occur until October 2024.

4. Note Receivables

The Sunnyvale 4A Development Corporation agreed to pay a portion of the Town's 2013 Refunding Bond by remitting to the Town from the receipts of local sales and use taxes received by the Corporation to pay a portion of the principal and interest on the bonds.

	Balance 9/30/2023	Additions	Decreases	Balance 9/30/2024	Due within One Year
Note receivable-4A Dev	$ 175,000	$ -	$ (30,000)	$ 145,000	$ 35,000

Requirement as follows:

Year Ending September 30,	Payment
2025	$ 35,000
2026	35,000
2027	35,000
2028	40,000
	$ 145,000

5. Unearned Revenue

As of September 30, 2024, unearned revenue of $1,160,460 was reported in the ARPA Grants Fund for the portion of grant funds that have been received but not yet spent on eligible expenditures. These amounts will be recognized as revenue in future years as the funds are spent.

6. Capital Assets

Capital asset activity for the period ended September 30, 2024, was as follows:

	Balance 9/30/2023	Additions	Decreases	Balance 9/30/2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,610,223	$ -	$ -	$ 2,610,223
Construction in progress	6,379,047	14,155,726	-	20,534,773
Total capital assets not being depreciated	8,989,270	14,155,726	-	23,144,996
Capital assets being depreciated:				
Buildings & Improvements	15,566,077	-	2,045,114	17,611,191
Machinery and equipment	5,406,862	612,718	-	6,019,580
Infrastructure	27,077,547	-	(2,045,114)	25,032,433
Total capital assets being depreciated	48,050,486	612,718	-	48,663,204
Less accumulated depreciation for:				
Buildings & Improvements	(3,452,116)	(1,317,868)	(1,844,448)	(6,614,432)
Machinery and equipment	(3,738,956)	(385,718)	-	(4,124,674)
Infrastructure	(5,491,542)	(1,415,328)	1,844,448	(5,062,422)
Total accumulated depreciation	(12,682,614)	(3,118,914)	-	(15,801,528)
Total capital assets being depreciated, net	35,367,872	(2,506,196)	-	32,861,676
Govemmental activities capital assets, net	$ 44,357,142	$ 11,649,530	$ -	$ 56,006,672

	Balance 9/30/2023	Additions	Decreases	Balance 9/30/2024
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 126,225	$ -	$ -	$ 126,225
Construction in progress	245,050	3,264,791	-	3,509,841
Total capital assets, not being depreciated	371,275	3,264,791	-	3,636,066
Capital assets being depreciated:				
Building	6,743,042	-	-	6,743,042
Machinery and equipment	1,719,984	-	-	1,719,984
Infrastructure	35,090,975	-	-	35,090,975
Total assets being depreciated	43,554,001	-	-	43,554,001
Less accumulated depreciation for:				
Building	(2,067,165)	(249,998)	-	(2,317,163)
Machinery and equipment	(779,360)	(142,744)	-	(922,104)
Infrastructure	(8,792,559)	(1,310,414)	-	(10,102,973)
Total accumulated depreciation	(11,639,084)	(1,703,156)	-	(13,342,240)
Total capital assets being depreciated, net	31,914,917	(1,703,156)	-	30,211,761
Business-type activities capital assets, net	$ 32,286,192	$ 1,561,635	$ -	$ 33,847,827

Depreciation

Depreciation expense was charged to functions/programs of the primary government as follows: Governmental activities:

General Government	$ 739,484
Public Safety	1,727,218
Public Works	285,996
Parks & Recreation	366,216
Total depreciation expense - governmental activities	$ 3,118,914
Business-type activities:	
Utility	$ 1,703,156
Total depreciation expense- business-type activities	$ 1,703,156

Construction Commitments

The Town has active construction projects as of September 30, 2024. At year-end the town's commitments with contractors are as follows:

Projects	Remaining Commitment
Street improvements	$ 7,000,000
Water and sewer	2,903,576
Total Commitments	$ 9,903,576

7. Interfund Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund payables at the end of the fiscal year were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Debt service	Utility	$ 87,375	Short-term pooled cash loan
General	Capital Projects	147,125	Short-term pooled cash loan
Utility	General	34,718	Short-term pooled cash loan
Totals		$ 269,218	

Interfund transfers made during the fiscal year were as follows:

Transfer From	Transfer To	Amount	Purpose
Utility fund	General fund	$ 125,000	Franchise fee and indirect costs
Utility fund	General fund	125,000	Vehicle replacement funding
Capital projects	Utility fund	1,489,198	Supplement capital projects funding
General fund	Capital projects	5,040,884	Supplement capital projects funding
		$ 6,780,082	

8. Long-term Obligations

The Town issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental activities. These instruments include general obligation bonds, certificates of obligation, and tax notes. These debt obligations are secured by primarily future property tax revenues. In some cases, these bonds are also secured by a pledge of net revenues from the utility system that is generally limited to a nominal amount. Additionally, certain obligations that were marketed as private placements have been separately identified; however, the terms of these obligations are not significantly different than other obligations and do not have substantive acceleration clauses. Should the Town default on these bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the Town to make payment.

During fiscal year 2024, the Town issued its Tax Notes, Series 2024 in the amount of $6,560,000, which bears an interest rate of 2.973% and matures in series from 2025 through 2031. The net proceeds of $7,000,000 (net of an issuance premium of $580,242 and costs of issuance) were delivered in October 2024 and placed in the Capital Projects Fund. The proceeds from the Notes will be used to construct and improve streets, roads, and bridges within the Town, and to fund various other capital projects. Because the bonds were priced and dated before yearend, but the proceeds not received afterward, a receivable of $7,000,000 has been reported for the cash received shortly after yearend.

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Primary Government					
Governmental activities:					
Bonds payable	$ 21,535,000	$ 6,560,000	$ (1,930,000)	$ 26,165,000	$ 2,100,000
Bond premiums	1,795,806	580,242	(333,992)	2,042,056	-
Bond discounts	(22,505)	-	1,617	(20,888)	-
Financed purchase	280,220	-	(75,201)	205,019	69,030
Compensated absences	181,981	291,070	(196,150)	276,901	69,225
Total governmental activities	$ 23,770,502	$ 7,431,312	$ (2,533,726)	$ 28,668,088	$ 2,238,255
Business-type activities:					
Bonds payable	$ 5,060,000	$ -	$ (430,000)	$ 4,630,000	$ 450,000
Bond premium	607,381	-	(46,576)	560,805	-
Notes payable	59,995	-	(12,006)	47,989	12,004
Note discounts	(17,854)	-	3,571	(14,283)	-
Compensated Absences	24,248	27,028	(25,746)	25,530	6,383
Total business-type activities	$ 5,733,770	$ 27,028	$ (510,757)	$ 5,250,041	$ 468,387

Compensated absences are typically paid from the General or Proprietary Fund, based on the assignment of an employee at date of termination.

Bonds Payable

The general obligation bonds and Tax Notes are backed by the full faith and credit of the Town and are payable from property taxes. The refunding bonds and certificates of obligation are payable from the net revenues of the Utility Fund and from property taxes received by the Town.

The Town's outstanding bonded debt is as follows:

	Interest Rate	Issue Date	Maturity Date	Original Issue	Outstanding
Governmental activities:					
2021 General Obligation Refunding	4%	2021	2028	$ 1,340,000	$ 950,000
2017 Certificates of Obligation	3%	2017	2037	4,045,000	3,120,000
2019 Certificates of Obligation	2.5% - 4.0%	2019	2040	5,720,000	5,720,000
2020 Certificates of Obligation	2.5% - 4.0%	2020	2040	6,355,000	6,070,000
2019 Tax Notes	1.80%	2019	2026	3,560,000	1,100,000
2023 Tax Notes	3.38% - 3.54%	2023	2030	3,440,000	2,645,000
2024 Tax Notes	2.97%	2024	2031	6,560,000	6,560,000
Total governmental bonds				$ 31,020,000	$ 26,165,000
Business-type activities:					
2020 General Obligation Refunding	2.5% - 4.0%	2020	2040	$ 3,105,000	$ 2,690,000
2021 General Obligation Refunding	4.00%	2021	2028	995,000	695,000
2020 Certificates of Obligation	3.0% - 4.0%	2020	2031	1,845,000	1,245,000
				$ 5,945,000	$ 4,630,000

The annual requirements for the Town's outstanding bonds are as follows:

	Governmental Activities		Business-Type Activities		Primary Government	
Year Ending September 30	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2025	$ 2,100,000	$ 1,023,531	$ 450,000	$ 174,625	$ 2,550,000	$ 1,198,156
2026	2,015,000	994,920	460,000	158,050	2,475,000	1,152,970
2027	2,125,000	910,425	480,000	139,675	2,605,000	1,050,100
2028	2,300,000	812,475	495,000	120,600	2,795,000	933,075
2029	2,455,000	703,650	330,000	104,500	2,785,000	808,150
2030-2034	8,665,000	2,007,025	1,195,000	344,250	9,860,000	2,351,275
2035-2039	5,475,000	733,500	995,000	147,500	6,470,000	881,000
2040	1,030,000	20,600	225,000	4,500	1,255,000	25,100
	$ 26,165,000	$ 7,206,126	$ 4,630,000	$ 1,193,700	$ 30,795,000	$ 8,399,826

Financing Arrangements

The Town entered into a financing arrangement for a 2018 E-One Fire Truck in the amount of $526,409 on February 20, 2021. The lease will be repaid over a seven-year period at an interest rate of 2.89%. Debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2025	$ 69,030	$ 6,175
2026	71,026	4,175
2027	64,963	2,117
	$ 205,019	$ 12,467

Note Payable

In fiscal year 2007, the Town executed an infrastructure repayment agreement with the Texas Department of Agriculture's Rural Economic Development Division. Under the terms of the agreement, the Town agreed to repay program income to the Texas Department of Agriculture in an amount up to $192,100. The note is noninterest bearing. However, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 5.00%. Payments will be made in no more than two hundred and forty equal monthly installments beginning the first (1st) day of the third (3rd) month following the completion date or occupancy by the beneficiary, whichever comes first.

Debt service requirements to maturity are as follows:

Year Ending September 30	Minimum Obligation
2025	$ 12,004
2026	12,004
2027	12,004
2028	11,977
	$ 47,989

Component Unit Note to Primary Government

The Sunnyvale 4A Development Corporation agreed to pay a portion of the Town's 2013 Refunding Bond by remitting to the Town from the receipts of local sales and use taxes received by 4A to pay a portion of the principal and interest on the bonds. 4A remitted $36,400 to the Town during fiscal year 2024. The outstanding amount owed to the Town as of September 30, 2024 totaled $145,000.

Requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2025	$ 35,000	$ 5,100
2026	35,000	3,700
2027	35,000	2,300
2028	40,000	800
	$ 145,000	$ 11,900

DEFINED BENEFIT PENSION PLAN

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and additions/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.org.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the Town Council, within the options available in the statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS. The plan provisions for the Town were as follows:

Employee deposit rate:	7%
Matching ratio (Town to employee):	2 to 1
Years required for vesting:	5
Service retirement eligibility:	20 years at any age, 5 years at age 60 and above
Updated service credit:	100% Repeating
Annuity increase to retirees:	70% of CPI repeating
Supplemental death benefit - employees and retirees	Yes

Employees covered by benefit terms:

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	68
Active employees	81
Total	178

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member’s total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 7.00% of their annual gross earnings during the fiscal year. Contribution rates for the Town were 12.61% and 12.21% in calendar years 2023 and 2024, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2024 were $829,341, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability ("NPL") was measured as of December 31, 2023, and the Total Pension Liability ("TPL") used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for active, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core fixed income	6.00%	4.70%
Non-core fixed income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private equity	10.00%	11.60%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions were made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability/(Asset)

	Increase (Decease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2022	$ 9,376,237	$ 8,274,867	$ 1,101,370
Changes for the year:			
Service cost	1,075,908	-	1,075,908
Interest (on the Total Pension liability)	651,673	-	651,673
Change in benefit terms	(102,020)	-	(102,020)
Difference between expected and actual experience	(102,737)	-	(102,737)
Contributions - employer	-	728,096	(728,096)
Contributions - employee	-	413,357	(413,357)
Benefit payments, including refunds of employee contributions	(315,513)	(315,513)	-
Net investment income	-	962,060	(962,060)
Administrative expense	-	(6,093)	6,093
Other changes	(31,093)	(43)	(31,050)
Net changes	1,176,218	1,781,864	(605,646)
Balance at 12/31/2023	$ 10,552,455	$ 10,056,731	$ 495,724

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	$ 2,208,062	$ 495,724	$ (878,774)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained on the internet at *www.tmrs.org*.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the Town recognized pension expense of $554,526. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 196,406
Changes in actuarial assumptions	-	23,946
Difference between projected and actual investment earnings	204,170	-
Contributions subsequent to the measurement date	595,563	-
Total	$ 799,733	$ 220,352

$595,563 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2025	$ (17,789)
2026	(4,781)
2027	97,857
2028	(91,469)
Total	$ (16,182)

OTHER POST-EMPLOYMENT BENEFITS

The Town provides for two other post-employment benefit (OPEB) plans: the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), and its own single-employer Retiree Benefits Plan. Both are described in detail below. Neither OPEB plan has fiduciary net position and thus all future benefit payments will be paid with Town funds. As such, management has estimated the amount due within one year that is reported as a current liability in the statement of net position.

TMRS Supplemental Death Benefits Fund

Plan Description. The Town voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the Town's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	13
Active employees	81
Total	115

Contributions. The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.25% for 2024 and 0.28% for 2023, of which 0.06% and 0.10%, respectively, represented the retiree-only portion for each year as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the year ended September 30, 2024 were $5,905, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability. The Town's total OPEB liability of $144,132 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount Rate	3.77% (Based on Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2023)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Changes in the Total OPEB Liability:

Changes in Total OPEB Liability	
Total OPEB Liability - Beginning	$ 117,605
Changes for the year:	
Service cost	12,991
Interest on total OPEB liability	4,906
Differences between expected and actual experien	6,565
Changes in assumptions or other inputs	7,970
Benefit payments	(5,905)
Net Changes in Total OPEB Liability	26,527
Total OPEB Liability - Ending	$ 144,132

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. A single discount rate of 3.77% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from the Town are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the Total OPEB liability. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023.

The following presents the Total OPEB Liability of the Town, as well as what the Town's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current discount rate:

1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
$ 175,355	$ 144,132	$ 120,396

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2024, the Town recognized OPEB expense of $15,613, which is attributable to governmental and business-type activities in the amounts of $13,668 and $1,945, respectively. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual economic experience	$ 5,711	$ 6,710
Difference in assumption changes	20,470	46,016
Contributions subsequent to the measurement date	12,449	-
Totals	$ 38,630	$ 52,726

$12,449 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2025	$ (875)
2026	(3,694)
2027	(7,105)
2028	(7,123)
2029	(7,552)
Thereafter	(196)
Total	$ (26,545)

Retiree Health Plan

Plan Description. The Town provides healthcare benefits through a single employer defined benefit healthcare plan for all full-time employees and retirees that meet the minimum retirement age of 60 and are vested in the retirement plan prior to retirement or have twenty years or more of service at any age. Currently, the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. This plan is administered by the Town, and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions. Survivors of employees who die while actively employed are not eligible for retiree healthcare benefits. Employees who become disabled are not eligible for retiree healthcare benefits unless they meet the Town's retirement requirements, and they elect to retire from the Town. The dependent of a current employee can receive coverage when the employee retires if the retiree elects dependent coverage at the time of retirement, the only exception would be in the event of a family status change which will allow dependents to be added at a later date. The retiring employee must continue to elect (and pay for) coverage for the dependents at all future open enrollments or the dependent coverage will cease. The dependents of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the healthcare plan are not eligible to opt back in at a later date.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	-
Active employees	71
Total	72

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2022
Actuarial Cost Method	Individual entry-age normal
Inflation Rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.
Mortality	For healthy retirees, the gender-distict 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health care cost trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	100% participation for retirees who are eligible for the City's retiree healthcare subsidy.
Discount rate	3.77% as of December 31, 2023

Mortality rates were updated and are based upon the gender distinct PUB 2010 general employee mortality table with mortality improvement scale MP-2019. Per capita costs for Pre-65 retirees were derived based upon the fully insured rates on a retiree-only experience basis. Medicare eligible retirees are assumed to rescind the City’s plan and take Medicare coverage. Any Medicare Part D subsidy was not reflected in the estimate. The participation rate for future retirees is based upon years of service at retirement.

Any participant that retires prior to age 50 is assumed to waive the City’s healthcare plan. For any future retiree assumed to elect retiree healthcare, their spouse is assumed to waive coverage. 40% of retirees are assumed to drop coverage at the time the employer subsidy ends. The per capita claims costs include a 7% load for administrative expenses and a 10% load for stop loss premiums where both are assumed to escalate with the healthcare trend rates each year.

The discount rate of 3.77% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study. The per capita claims costs and how these costs are expected to escalate in the future were set by IPS Advisors who develop the funding rates.

Changes in the Total OPEB Liability. The Town’s total OPEB liability of $169,886 ($148,718 in the governmental activities and $21,618 in business-type activities, respectively) was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is typically liquidated by the Utility Fund.

	Total OPEB Liability
Balance at 12/31/2022	$ 138,787
Changes for the year:	
Service cost	30,050
Interest	6,080
Changes of assumptions	(420)
Difference between expected and actual experience	2,770
Benefit payments	(7,381)
Net changes	31,099
Balance at 12/31/2023	$ 169,886

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05% to 3.77%.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	$ 185,277	$ 169,886	$ 156,136

Healthcare Cost Trend Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	$ 150,815	$ 169,886	$ 192,935

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2024, the Town recognized OPEB expense of $32,945 ($28,840 in the governmental activities and $4,105 in business-type activities, respectively). At September 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,468	$ 825
Changes in actuarial assumptions	-	24,206
Contributions subsequent to the measurement date	5,414	-
Totals	$ 7,882	$ 25,031

$5,414 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the Town paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025.

Other amounts of the reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	OPEB Expense Amount
2025	$ (3,184)
2026	(3,184)
2027	(3,184)
2028	(3,184)
2029	(3,184)
Thereafter	(6,643)
Total	$ (22,563)

HEALTH CARE COVERAGE

During the year ended September 30, 2024, employees of the Town were covered by a health insurance plan with Texas Municipal League Intergovernmental Employee Benefit Pool ("TMLIEBP"). The Town contributed $488 per month. In addition, a monthly amount, $125 was credited to a Health Reimbursement Account ("HRA") for each employee. The Town also paid the monthly premium for a $10,000 life insurance and accidental death and dismemberment ("AD&D") protection for each employee. The Town paid 100% of monthly premiums for full-time employees. The Town did not pay for dependent coverage; however, it was available to employees at their option and was paid through payroll deductions.

INSURANCE COVERAGE

In accordance with state statute, the Town was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Municipal League, a commercial insurer licensed and eligible to do business in Texas, in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding $125,000 and for aggregate loss. No claims are payable as of September 30, 2024, and, and no liability has been estimated for claims incurred but not reported.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The Town pays an annual premium to TML for its insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category has its own level of reinsurance. The Town continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past four fiscal years.

LITIGATION

The Town is a party to various legal proceedings arising in the ordinary course of its operations. Management believes that the Town has adequate legal defenses and/or insurance coverage respecting each of these actions.

ADDITIONAL WATER AND SEWER INFORMATION

The following information is included at the request of the Texas Water Development Board for the year under audit.

Water Accountability Report: Gallons Purchased 806,961,000 Gallons Billed 729,776,077

The Town secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59, created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation, and eminent domain power and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the Town. The District is governed by a 17-member board ("Board"). The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contract with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of these factors, the District is not included in the Town's basic financial statements.

The Town purchases its water from the North Texas Municipal Water District ("NTMWD"). Each year, NTMWD calculates the cost of water based upon the previous year's usage. The Town currently pays $3.69 per thousand gallons for water with the total cost for this current fiscal year being $2,892,163.

ACCOUNTING CHANGES

In accordance with GASB 100, accounting changes for the year are reported as follows:

Changes within the Financial Reporting Entity. For Fiscal Year 2024, the Town reported the following change within its financial reporting entity:

- The Special Revenue Fund was previously reported as a major governmental fund based on quantitative factors. In the current year, these thresholds were not met, and management determined that no qualitative factors were sufficient to merit continued presentation as a major fund. Thus, the fund is reported as a non-major governmental fund.

NEW ACCOUNTING STANDARDS

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

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REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET(GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 5,502,723	$ 5,502,723	$ 5,358,562	$ (144,161)
Franchise taxes	1,296,500	1,296,500	1,235,511	(60,989)
Sales taxes	5,291,000	5,291,000	4,742,175	(548,825)
Fines and forfeitures	225,629	225,629	561,975	336,346
Licenses and permits	856,585	856,585	775,153	(81,432)
Charges for services	781,553	781,553	877,872	96,319
Intergovernmental	575,000	575,000	594,233	19,233
Investment income	400,000	400,000	662,712	262,712
Miscellaneous	1,179,278	1,179,278	148,105	(1,031,173)
Total revenues	16,108,268	16,108,268	14,956,298	(1,151,970)
EXPENDITURES				
Current:				
General government:				
Town manager	483,684	483,684	493,875	(10,191)
Town secretary	191,152	191,152	210,546	(19,394)
Finance	625,752	625,752	604,468	21,284
Court	207,849	207,849	208,636	(787)
Information technology	1,035,953	1,035,953	710,939	325,014
Human resources	117,751	117,751	121,470	(3,719)
Non-departmental	1,093,155	1,093,155	946,896	146,259
Public safety:				
Police	3,769,439	3,769,439	3,869,503	(100,064)
Fire & EMS	2,321,767	2,321,767	2,610,846	(289,079)
Animal control	254,383	254,383	405,534	(151,151)
Development services	1,008,452	1,008,452	913,734	94,718
Public works:				
Road Maintenance	1,045,000	1,045,000	115,524	929,476
Solid Waste	580,000	580,000	863,027	(283,027)
Engineering	334,871	334,871	250,732	84,139
Public services and operations:				
Parks & streets	1,005,957	1,005,957	1,268,139	(262,182)
Library	296,380	296,380	305,952	(9,572)
Capital outlay	4,452,926	4,452,926	642,894	3,810,032
Debt service	75,201	75,201	75,201	-
Total expenditures	18,899,672	18,899,672	14,617,916	4,281,756
Excess (deficiency) of revenues over (under) expenditures	(2,791,404)	(2,791,404)	338,382	3,129,786
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	-	-	(5,040,884)	(5,040,884)
Total other financing sources (uses)	250,000	250,000	(4,790,884)	(5,040,884)
NET CHANGE IN FUND BALANCES	(2,541,404)	(2,541,404)	(4,452,502)	(1,911,098)
FUND BALANCE, BEGINNING	11,230,526	11,230,526	11,230,526	-
FUND BALANCE, ENDING	$ 8,689,122	$ 8,689,122	$ 6,778,024	$ (1,911,098)

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARPA GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Intergovernmental	$ 1,497,894	$ 1,497,894	$ 337,434	$ (1,160,460)
Total revenues	1,497,894	1,497,894	337,434	(1,160,460)
EXPENDITURES				
General government	1,497,894	1,497,894	337,434	1,160,460
Total expenditures	1,497,894	1,497,894	337,434	1,160,460
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	$ -	$ -	$ -	$ -

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Budgetary Information

The following procedures are followed in establishing the budgetary data:

- The Town Manager shall submit a proposed budget containing a complete financial plan for each fiscal year. Such budget shall be submitted to the Town Council not more than one hundred twenty (120) days, but not less than sixty (60) days, prior to the beginning of each fiscal year.

- Annual appropriated budgets are adopted for the General Fund, Debt Service Fund, and each special revenue fund except for the Tax Reinvestment Zone funds 2 and 3. Capital projects funds are budgeted on a project-length basis, and as such, no budgetary comparison information is presented. Capital projects are primarily appropriated through a Capital Improvement Program, which the Town Manager shall submit as an attachment to the annual budget. The Program shall include a list of all capital improvements that are proposed for the five fiscal years succeeding the budget year; cost estimates, method of financing, and recommended time schedules for each improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. The information may be revised and extended each year with regard to the capital improvements still pending, or in process of construction or acquisition.

- The Town Council shall publish a notice for a public hearing on the budget in accordance with State Law.

- After the public hearing, the Town Council may adopt the budget with or without amendment. In amending the budget, the Town Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law, or for debt service.

- On or before the 20th day of the last month of the fiscal year currently ending, the Town Council shall adopt the budget by an affirmative vote of a majority of the members of Town Council then qualified and serving. If the Town fails to adopt the budget by this date, the amounts appropriated for current operation for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until such time as the Town Council adopts a budget for the ensuing fiscal year. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

- Under conditions which may arise, and which could not have been foreseen in the normal process of budget preparation, the Town Council may, by an affirmative action vote of a majority of the members of the Town Council, then qualified and serving, amend the budget. Such amendments shall be by ordinance.

- The legal level of budgetary control is the department level. Department Directors may reallocate budgeted amounts between line-items within their department.

Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in various departments of the General Fund due to final accruals made after the final amendments to the budget. These overages were funded with existing fund balance and greater than budgeted revenues.

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	**2023**	**2022**	**2021**	**2020**
Total pension liability				
Service cost	$ 1,075,908	$ 887,169	$ 783,276	$ 598,178
Interest on total pension liability	651,673	587,703	522,414	460,848
Changes of benefit terms	(102,020)	4,709	-	-
Difference between expected and actual experience	(102,737)	(160,295)	(61,801)	7,767
Change of assumptions	(31,093)	-	-	-
Benefit payments/refunds of contributions	(315,513)	(402,920)	(263,684)	(230,842)
Net change in total pension liability	1,176,218	916,366	980,205	835,951
Total pension liability, beginning	9,376,237	8,459,871	7,479,666	6,643,715
Total pension liability, ending (a)	$ 10,552,455	$ 9,376,237	$ 8,459,871	$ 7,479,666
Plan fiduciary net position				
Contributions - employer	$ 728,096	$ 569,733	$ 578,754	$ 434,804
Contributions - employee	413,357	289,451	290,102	221,274
Net investment income	962,060	(617,704)	905,161	459,682
Benefit payments/refunds of contributions	(315,513)	(402,920)	(263,684)	(230,842)
Administrative expenses	(6,093)	(5,328)	(4,180)	(2,970)
Other	(43)	6,358	28	(116)
Net change in fiduciary net position	1,781,864	(160,410)	1,506,181	881,832
Fiduciary net position, beginning	8,274,867	8,435,277	6,929,095	6,047,265
Fiduciary net position, ending (b)	$ 10,056,731	$ 8,274,867	$ 8,435,276	$ 6,929,097
Net pension liability = (a)-(b)	495,724	1,101,370	24,595	550,569
Fiduciary net position as a percentage of total pension liability	95.30%	88.25%	99.71%	92.64%
Covered payroll	$ 5,905,076	$ 4,824,164	$ 4,835,039	$ 3,687,902
Net Pension liability as a percentage of covered payroll	8.39%	22.83%	0.51%	14.93%

2019	2018	2017	2016	2015	2014
$ 420,447	$ 357,726	$ 321,161	$ 295,043	$ 258,084	$ 201,393
415,086	385,554	351,770	322,942	306,981	305,697
-	-	-	-	-	-
51,088	(63,739)	15,749	(15,243)	(17,673)	(288,939)
(17,984)	-	-	-	28,957	-
(328,254)	(218,505)	(194,424)	(183,001)	(208,896)	(247,410)
540,383	461,036	494,256	419,741	367,453	(29,259)
6,103,332	5,642,296	5,148,040	4,728,299	4,360,846	4,390,105
$ 6,643,715	$ 6,103,332	$ 5,642,296	$ 5,148,040	$ 4,728,299	$ 4,360,846
$ 311,546	$ 274,303	$ 244,031	$ 231,142	$ 213,509	$ 186,424
160,374	138,653	122,425	113,770	100,162	84,419
792,043	(152,102)	597,290	262,691	5,581	203,553
(328,254)	(218,505)	(194,424)	(183,001)	(208,896)	(247,410)
(4,469)	(2,939)	(3,096)	(2,969)	(3,400)	(2,125)
(133)	(153)	(157)	(160)	(168)	(175)
931,107	39,257	766,069	421,473	106,788	224,686
5,116,158	5,076,901	4,310,832	3,889,359	3,782,571	3,557,885
$ 6,047,265	$ 5,116,158	$ 5,076,901	$ 4,310,832	$ 3,889,359	$ 3,782,571
596,450	987,174	565,395	837,208	838,940	578,275
91.02%	83.83%	89.98%	83.74%	82.26%	86.74%
$ 2,672,898	$ 2,310,891	$ 2,040,414	$ 1,896,161	$ 1,669,364	$ 1,406,983
22.31%	42.72%	27.71%	44.15%	50.26%	41.10%

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	**2024**	**2023**	**2022**	**2021**
Actuarially determined contribution	$ 829,341	$ 659,972	$ 578,754	$ 434,804
Contributions in relation to the actuarially determined contribution	829,341	659,972	578,754	434,804
Contribution deficiency (excess)	-	-	-	-
Covered payroll	6,734,806	5,405,527	4,835,039	3,687,902
Contributions as a percentage of covered payroll	12.3%	12.2%	12.0%	11.8%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	22 Years (longest amortization ladder)
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	Adopted 50% non-retroactive repeating COLA. Adopted restricted prior service credit.

2020	2019	2018	2017	2016	2015
$ 320,748	$ 283,311	$ 242,197	$ 226,781	$ 206,166	$ 188,817
320,748	283,311	242,197	226,781	206,166	188,817
-	-	-	-	-	-
2,672,898	2,310,891	2,040,414	1,896,161	1,669,364	1,406,983
12.0%	12.3%	11.9%	12.0%	12.3%	13.4%

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - TMRS SDBF

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	**2023**	**2022**	**2021**	**2020**
Total OPEB liability - beginning of year	$ 117,605	$ 169,652	$ 152,745	$ 121,627
Changes for the year				
Service cost	12,991	19,297	17,890	12,539
Interest on total OPEB liability	4,906	3,255	3,161	3,497
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	6,565	(5,958)	(2,249)	(3,476)
Changes in assumptions or other inputs	7,970	(63,817)	5,358	20,033
Benefit payments	(5,905)	(4,824)	(7,253)	(1,475)
Net Changes	26,527	(52,047)	16,907	31,118
Total OPEB liability, ending (a)	$ 144,132	$ 117,605	$ 169,652	$ 152,745
Covered-employee payroll	$ 5,905,076	$ 4,824,164	$ 4,835,039	$ 3,687,902
Total OPEB liability as a percentage of covered-employee payroll	2.44%	2.44%	3.51%	4.14%

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB Statement 75 (i.e .. no assets are accumulated for OPEB to pay retirement benefits) and as such the SDBF is considered an unfunded OPEB plan.

Changes in assumptions reflect changes in the discount rate each period.

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

2019	2018	2017
$ 89,497	$ 88,056	$ 72,217
8,286	9,012	7,141
3,454	3,049	2,849
-	-	-
660	(3,663)	-
20,799	(6,033)	6,665
(1,069)	(924)	(816)
32,130	1,441	15,839
$ 121,627	$ 89,497	$ 88,056
$ 2,672,898	$ 2,310,891	$ 2,040,414
4.55%	3.87%	4.32%

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - RETIREE HEALTH PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	**2023**	**2022**
Total OPEB liability - beginning of year	$ 138,787	$ 133,328
Changes for the year		
Service cost	30,050	37,849
Interest on total OPEB liability	6,080	2,768
Changes of benefit terms	-	-
Differences between expected and actual experience	2,770	(1,055)
Changes in assumptions or other inputs	(420)	(30,483)
Benefit payments	(7,381)	(3,620)
Net Changes	31,099	5,459
Total OPEB liability, ending (a)	$ 169,886	$ 138,787
Covered-employee payroll	$ 5,617,914	$ 4,883,109
Total OPEB liability as a percentage of covered-employee payroll	3.02%	2.84%

Notes to schedule:

- No assets are accumulated in a trust for the payment of related benefits that meets the criteria in paragraph 4 of GASB 75.

- This schedule is required to have 10 years of information, but information prior to 2022, the year the plan was first measured by the City, is not available.

- Changes in assumptions reflect changes in the discount rate.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Revenues that are collected but are restricted and can only be spent under specific guidelines. For these funds, a fund description and fund statement are provided.

- Roadway Impact Fund - Impact Fees are charges or assessments paid by new development in order to generate revenue for capital improvements in response to the developments' impact on services. The revenues presented are based in the expectation of 90 permit requests for the budget year.

- Homestead Amenities Fund - The Homestead Amenities Fund was established in 2007 under Ordinance 464 to provide contributions in lieu of amenity construction. Currently the fund is being considered as a source of funds for the Collins Road expansion.

- Special Revenue Fund – The Special Revenue Fund accounts for various revenues that are collected and can only be spent under specific guidelines. Some of these revenues originate from the American Heart Association, Tree Mitigation, Lone Star Libraries Grant, Court Technology, Court Security, the Cares Act Grant, Health and Human Services Stimulus, and Donations.

- Tax Reinvestment Zone 2 Fund – This fund accounts for property tax revenue collections related to the Town's TIRZ #2 and the related tax increment financing incentives and other expenditures.

- Tax Reinvestment Zone 3 Fund – This fund accounts for property tax revenue collections related to the Town's TIRZ #2 and the related tax increment financing incentives and other expenditures.

Capital Projects Funds

The Capital Projects Funds account for the design and construction of the Town's facilities, roads, drainage, parks, and water and sewer systems. Unlike the operating and enterprise budgets, the capital improvements budgets do not conclude at the end of each fiscal year, as many CIP projects remain in progress over several accounting periods. The Town utilizes professional service providers to conduct detailed studies to assist in determining the short- and long-range infrastructure needs. The Town's non-major Capital Project Funds are:

- PEG Capital - To account for Public Education Grant (PEG) fees are charged to communication providers and capital costs associated with PEG facilities, as permitted by law.

- 4A General - These funds account for certain amounts earmarked for capital improvement for economic development from the previously-levied 4A sales tax.

TOWN OF SUNNYVALE, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Roadway Impact	Homestead Amenities	PEG Capital
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Accounts receivable, net	2,654	-	-
Restricted cash and cash equivalents	1,898,268	553,901	14,840
Total assets	1,900,922	553,901	14,840
LIABILITIES			
Accounts payable	79,107	-	-
Total liabilities	79,107	-	-
FUND BALANCES			
Restricted:			
Community services	-	-	14,840
Street maintenance	1,821,815	553,901	-
Economic development	-	-	-
Assigned:			
Community development	-	-	-
Total fund balances	1,821,815	553,901	14,840
Total liabilities and fund balances	$ 1,900,922	$ 553,901	$ 14,840

4A General	Special Revenue	Tax Reinvestment Zone 2	Tax Reinvestment Zone 3	Total Nonmajor Governmental Funds
$ 1,585,585	$ 253,157	$ 171,104	$ 149,833	$ 2,159,679
-	-	-	-	2,654
-	-	-	-	2,467,009
1,585,585	253,157	171,104	149,833	4,629,342
-	3,092	-	-	82,199
-	3,092	-	-	82,199
-		-	-	14,840
-	250,065	-	-	2,625,781
-	-	171,104	149,833	320,937
1,585,585	-	-	-	1,585,585
1,585,585	250,065	171,104	149,833	4,547,143
$ 1,585,585	$ 253,157	$ 171,104	$ 149,833	$ 4,629,342

TOWN OF SUNNYVALE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Roadway Impact	Homestead Amenities	PEG Capital
REVENUE			
Property taxes	$ -	$ -	$ -
Impact fees	261,287	-	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	-
Investment income	80,901	15,780	2,782
Miscellaneous	-	186,162	7,169
Total revenues	342,188	201,942	9,951
EXPENDITURES			
Current:			
General government	-	-	67,670
Capital outlay	329,552	-	-
Total expenditures	329,552	-	67,670
NET CHANGE IN FUND BALANCES	12,636	201,942	(57,719)
FUND BALANCES, BEGINNING, AS PREVIOUSLY REPORTED	1,809,179	351,959	72,559
ADJUSTMENTS			
Change within the financial reporting entity	-	-	-
FUND BALANCES, BEGINNING, AS RESTATED	1,809,179	351,959	72,559
FUND BALANCE, ENDING	$ 1,821,815	$ 553,901	$ 14,840

* Formerly a major fund.

4A General	Special Revenue*	Tax Reinvestment Zone 2	Tax Reinvestment Zone 3	Total Nonmajor Governmental Funds
$ -	$ -	$ 167,010	$ 149,833	$ 316,843
-	-	-	-	261,287
-	60,376	-	-	60,376
78,018	198	-	-	78,216
68,131	1,103	4,094	-	172,791
-	15,893	-	-	209,224
146,149	77,570	171,104	149,833	1,098,737
-	4,854	-	-	72,524
-	-	-	-	329,552
-	4,854	-	-	402,076
146,149	72,716	171,104	149,833	696,661
1,439,436	-	-	-	3,673,133
-	177,349	-	-	177,349
1,439,436	177,349	-	-	3,850,482
$ 1,585,585	$ 250,065	$ 171,104	$ 149,833	$ 4,547,143

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BUDGETARY COMPARISON SCHEDULES

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 2,619,576	$ 2,619,576	$ 2,599,575	$ (20,001)
Investment income	27,295	27,295	40,573	13,278
Intergovernmental-state & local	36,400	36,400	36,400	-
Total revenue	2,683,271	2,683,271	2,676,548	(6,723)
EXPENDITURES				
Debt service	2,783,445	2,783,445	2,724,243	59,202
Total expenditures	2,783,445	2,783,445	2,724,243	59,202
NET CHANGE IN FUND BALANCE	(100,174)	(100,174)	(47,695)	52,479
FUND BALANCE, BEGINNING	309,584	309,584	309,584	-
FUND BALANCE, ENDING	$ 209,410	$ 209,410	$ 261,889	$ 52,479

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROADWAY IMPACT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Impact fees	$ 530,800	$ 530,800	$ 261,287	$ (269,513)
Investment income	20,000	20,000	80,901	60,901
Total revenues	550,800	550,800	342,188	(208,612)
EXPENDITURES				
Capital outlay	550,800	550,800	329,552	221,248
Total expenditures	550,800	550,800	329,552	221,248
NET CHANGE IN FUND BALANCES	-	-	12,636	12,636
FUND BALANCE, BEGINNING	1,809,179	1,809,179	1,809,179	-
FUND BALANCE, ENDING	$ 1,809,179	$ 1,809,179	$ 1,821,815	$ 12,636

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOMESTEAD AMENITITES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Investment income	$ 9,200	$ 9,200	$ 15,780	$ 6,580
Miscellaneous	-	-	186,162	186,162
Total revenues	9,200	9,200	201,942	192,742
EXPENDITURES				
Capital outlay	9,200	9,200	-	9,200
Total expenditures	9,200	9,200	-	9,200
NET CHANGE IN FUND BALANCES	-	-	201,942	201,942
FUND BALANCE, BEGINNING	351,959	351,959	351,959	-
FUND BALANCE, ENDING	$ 351,959	$ 351,959	$ 553,901	$ 201,942

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PEG CAPITAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Investment income	$ 1,300	$ 1,300	$ 2,782	$ 1,482
Miscellaneous	-	-	7,169	7,169
Total revenues	1,300	1,300	9,951	8,651
EXPENDITURES				
Current:				
General government	1,300	1,300	67,670	66,370
Total expenditures	1,300	1,300	67,670	66,370
NET CHANGE IN FUND BALANCES	-	-	(57,719)	(57,719)
FUND BALANCE, BEGINNING	72,559	72,559	72,559	-
FUND BALANCE, ENDING	$ 72,559	$ 72,559	$ 14,840	$ (57,719)

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
4A GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Intergovernmental	$ 72,035	$ 72,035	$ 78,018	$ 5,983
Investment income	25,000	25,000	68,131	43,131
Total revenues	97,035	97,035	146,149	49,114
EXPENDITURES				
Current:				
General government	1,540,743	1,540,743	-	1,540,743
Total expenditures	1,540,743	1,540,743	-	1,540,743
NET CHANGE IN FUND BALANCES	(1,443,708)	(1,443,708)	146,149	1,589,857
FUND BALANCE, BEGINNING	1,439,436	1,439,436	1,439,436	-
FUND BALANCE, ENDING	$ (4,272)	$ (4,272)	$ 1,585,585	$ 1,589,857

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUE				
Fines and forfeitures	$ 79,653	$ 79,653	$ 60,376	$ (19,277)
Intergovernmental	1,019	1,019	198	(821)
Investment income	-	-	1,103	1,103
Miscellaneous	76,889	76,889	15,893	(60,996)
Total revenues	157,561	157,561	77,570	(79,991)
EXPENDITURES				
Current:				
General government	157,561	157,561	4,854	152,707
Total expenditures	157,561	157,561	4,854	152,707
NET CHANGE IN FUND BALANCES	-	-	72,716	72,716
FUND BALANCE, BEGINNING	177,349	177,349	177,349	-
FUND BALANCE, ENDING	$ 177,349	$ 177,349	$ 250,065	$ 72,716

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DISCRETELY PRESENTED COMPONENT UNITS
FUND FINANCIAL STATEMENTS

TOWN OF SUNNYVALE, TEXAS

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS

SEPTEMBER 30, 2024

	Sunnyvale 4A Development Corporation	Sunnyvale 4B Development Corporation	Total Component Units
ASSETS			
Cash and investments	$ 162,937	$ 4,778,587	$ 4,941,524
Taxes receivable	-	297,086	297,086
Total assets	162,937	5,075,673	5,238,610
LIABILITIES			
Accounts payable	-	16,801	16,801
Total liabilities	-	16,801	16,801
FUND BALANCE			
Restricted for economic development	162,937	5,058,872	5,221,809
Total fund balance	162,937	5,058,872	5,221,809
Total liabilities and fund balance	$ 162,937	$ 5,075,673	

Amounts reported for component units in the statement of net position are different because:

Long-term liabilities, including notes payable, are not due and payable in the current year and, therefore, are not reported in the funds.	(145,000)
Net position of component units - statement of net position	$ 5,076,809

TOWN OF SUNNYVALE, TEXAS

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Sunnyvale 4A Development Corporation	Sunnyvale 4B Development Corporation	Total Component Units
REVENUES			
Sales taxes	$ -	$ 1,576,116	$ 1,576,116
Investment income	10,546	188,936	199,482
Total revenues	10,546	1,765,052	1,775,598
EXPENDITURES			
Current:			
Personnel services	-	76,216	76,216
Supplies and materials	-	5,132	5,132
Contractual services	-	213,758	213,758
Incentives	-	35,433	35,433
Payments to primary government	114,418	450,000	564,418
Capital outlay	-	136,991	136,991
Total expenditures	114,418	917,530	1,031,948
NET CHANGE IN FUND BALANCE	(103,872)	847,522	743,650
FUND BALANCE, BEGINNING	266,809	4,211,350	4,478,159
PRIOR PERIOD ADJUSTMENT	-	-	-
FUND BALANCE, BEGINNING, RESTATED	266,809	4,211,350	4,478,159
FUND BALANCE, ENDING	$ 162,937	$ 5,058,872	$ 5,221,809

Change in fund balance - governmental funds of component units	$ 743,650
Amounts reported for component units in the statement of activities are different because:	
Repayment of notes payable is an expenditure in the funds, but repayment reduces long-term liabilities in the statement of net position.	30,000
Change in net position of component units - statement of activities	$ 773,650

TOWN OF SUNNYVALE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
4B DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE				
Sales tax	$ 1,868,783	$ 1,868,783	$ 1,576,116	$ (292,667)
Intergovernmental	430,000	430,000	-	(430,000)
Investment income	45,000	45,000	188,936	143,936
Miscellaneous	98,854	98,854	-	(98,854)
Total revenues	2,442,637	2,442,637	1,765,052	(677,585)
EXPENDITURES				
Current:				
Personnel services	154,783	154,783	76,216	78,567
Supplies and materials	12,000	12,000	5,132	6,868
Contractual services	216,000	216,000	213,758	2,242
Incentives	63,354	63,354	35,433	27,921
Payments to primary government	984,000	984,000	450,000	534,000
Capital outlay	1,012,500	1,012,500	136,991	875,509
Total expenditures	2,442,637	2,442,637	917,530	1,525,107
NET CHANGE IN FUND BALANCES	-	-	847,522	847,522
FUND BALANCE, BEGINNING, RESTATED	4,211,350	4,211,350	4,211,350	-
FUND BALANCE, ENDING	$ 4,211,350	$ 4,211,350	$ 5,058,872	$ 847,522

STATISTICAL SECTION

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STATISTICAL SECTION
(Unaudited)

This part of the Town of Sunnyvale, Texas' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents	**Page**
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	80 – 90
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	91 – 96
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	97 - 102
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	103 - 104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	105 - 110

Note: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports of the relevant year.

TOWN OF SUNNYVALE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	$ 9,192,257	$ 10,259,140	$ 11,019,317	$ 13,645,563
Restricted	1,480,724	1,879,936	2,109,210	2,142,961
Unrestricted	5,063,645	5,125,907	4,924,743	5,496,564
Total governmental activities net position	$ 15,736,626	$ 17,264,983	$ 18,053,270	$ 21,285,088
Business-type activities				
Net investment in capital assets	$ 14,404,813	$ 14,409,109	$ 17,832,746	$ 24,413,662
Restricted	1,744,554	2,714,408	2,023,749	2,152,935
Unrestricted	520,468	1,048,812	1,639,134	2,610,035
Total business-type activities net position	$ 16,669,835	$ 18,172,329	$ 21,495,629	$ 29,176,632
Primary government				
Net investment in capital assets	$ 23,597,070	$ 24,668,249	$ 28,852,063	$ 38,059,225
Restricted	3,225,278	4,594,344	4,132,959	4,295,896
Unrestricted	5,584,113	6,174,719	6,563,877	8,106,599
Total primary government net position	$ 32,406,461	$ 35,437,312	$ 39,548,899	$ 50,461,720

2019	2020	2021	2022	2023	2024
$ 15,552,052	$ 133,606	$ 12,182,316	$ 17,352,038	$ 26,469,224	$ 34,228,041
2,776,797	2,909,599	2,868,130	2,567,629	2,638,754	3,111,603
5,333,169	25,366,349	18,272,961	18,204,617	17,094,468	8,116,367
$ 23,662,018	$ 28,409,554	$ 33,323,407	$ 38,124,284	$ 46,202,446	$ 45,456,011
$ 24,054,875	$ 23,815,634	$ 23,889,533	$ 28,658,820	$ 26,576,673	$ 28,475,744
2,005,109	2,115,669	2,416,769	2,612,877	2,911,337	3,560,002
3,817,204	4,550,549	5,409,711	10,064,590	9,625,446	9,209,751
$ 29,877,188	$ 30,481,852	$ 31,716,013	$ 41,336,287	$ 39,113,456	$ 41,245,497
$ 39,606,927	$ 23,949,240	$ 36,071,849	$ 46,010,858	$ 53,045,897	$ 62,703,785
4,781,906	5,025,268	5,284,899	5,180,506	5,550,091	6,671,605
9,150,373	29,916,898	23,682,672	28,269,207	26,719,914	17,326,118
$ 53,539,206	$ 58,891,406	$ 65,039,420	$ 79,460,571	$ 85,315,902	$ 86,701,508

TOWN OF SUNNYVALE, TX

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
EXPENSES				
Governmental activities:				
General goverment	$ 1,052,425	$ 1,248,277	$ 1,639,530	$ 1,597,658
Public Safety	2,367,607	2,602,749	2,723,379	3,701,545
Public Services and Operations	1,468,271	2,756,331	2,537,728	2,732,167
Public Works	595,851	277,284	271,115	306,163
Interest on long-termdebt	103,540	97,819	125,638	245,412
Total govermental activities expenses	$ 5,587,694	$ 6,982,460	$ 7,297,390	$ 8,582,945
Business-type activities:				
Utilities	3,663,328	4,257,032	4,361,206	5,074,148
Total business-type activities expenses	3,663,328	4,257,032	4,361,206	5,074,148
Total primary government expnese	$ 9,251,022	$ 11,239,492	$ 11,658,596	$ 13,657,093
PROGRAM REVENUES				
Governmental activities:				
Charge for services:				
General government	$ 105,332	$ 240,305	$ 211,624	$ 396,095
Public Safety	109,281	230,557	362,077	152,621
Public Services and Operations	296,036	499,121	489,160	544,563
Public Works	101,283	221,217	282,465	389,576
Parks and Cultural	4,197	6,244	6,616	11,393
Operating grants and contributions	118,384	113,123	12,175	67,108
Capital grants and contributions	1,524,366	566,140	208,272	3,164,377
Total governmental activities program revenues	$ 2,258,879	$ 1,876,707	$ 1,572,389	$ 4,725,733
Business-type activities:				
Charge for services:				
Utilities	$ 4,249,639	$ 4,808,138	$ 4,707,371	$ 5,729,121
Capital grants and contributions	2,239,086	883,070	2,355,760	6,375,710
Total business-type activities program revenues	6,488,725	5,691,208	7,063,131	12,104,831
Total primary government program revenues	$ 8,747,604	$ 7,567,915	$ 8,635,520	$ 16,830,564
NET (EXPENSE) REVENUE				
Governmental activities	$ (3,328,815)	$ (5,105,753)	$ (5,725,001)	$ (3,857,212)
Business-type acilvities	2,825,397	1,434,176	2,701,925	7,030,683
Total primary government program net expenses	$ (503,418)	$ (3,671,577)	$ (3,023,076)	$ 3,173,471

TABLE 2

2019	2020	2021	2022	2023	2024
$ 2,395,053	$ 1,630,281	$ 2,626,808	$ 1,588,582	$ 4,241,534	$ 4,466,528
3,523,702	5,097,893	3,159,778	4,208,619	8,110,993	10,003,994
1,680,175	1,845,965	3,339,176	2,999,698	1,494,637	2,056,257
928,570	485,091	306,095	1,785,248	373,549	1,505,476
176,184	780,918	765,950	767,906	628,273	639,621
$ 8,703,684	$ 9,840,148	$ 10,197,807	$ 11,350,053	$ 14,848,986	$ 18,671,876
5,409,232	5,977,691	6,119,271	6,620,543	8,358,355	9,705,112
5,409,232	5,977,691	6,119,271	6,620,543	8,358,355	9,705,112
$ 14,112,916	$ 15,817,839	$ 16,317,078	$ 17,970,596	$ 23,207,341	$ 28,376,988
$ 1,226,613	$ 1,175,682	$ 1,782,365	$ 1,409,679	$ 924,871	$ 783,342
541,713	368,050	453,274	421,361	570,055	739,623
-	-	-	-	-	-
-	-	-	-	647,015	908,775
-	-	-	-	-	-
913,863	3,652,159	2,235,661	1,689,575	526,018	1,025,045
-	-	-	-	460,000	-
$ 2,682,189	$ 5,195,891	$ 4,471,300	$ 3,520,615	$ 3,127,959	$ 3,456,785
$ 5,884,310	$ 6,572,507	$ 7,447,753	$ 9,600,592	$ 9,652,308	$ 9,864,473
-	-	-	7,246,387	68,440	99,876
5,884,310	6,572,507	7,447,753	16,846,979	9,720,748	9,964,349
$ 8,566,499	$ 11,768,398	$ 11,919,053	$ 20,367,594	$ 12,848,707	$ 13,421,134
$ (6,021,495)	$ (4,644,257)	$ (5,726,507)	$ (7,829,438)	$ (11,721,027)	$ (15,215,091)
475,078	594,816	1,328,482	10,226,436	1,362,393	259,237
$ (5,546,417)	$ (4,049,441)	$ (4,398,025)	$ 2,396,998	$ (10,358,634)	$ (14,955,854)

TOWN OF SUNNYVALE, TX

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property tax	$ 3,314,131	$ 3,774,207	4,272,558	$ 4,499,897
Sales tax	1,376,840	1,751,597	1,604,731	2,043,801
Franchise tax	1,205,928	1,158,235	1,105,973	1,081,674
Investment income	1,085	5,845	26,551	5,130
Miscellaneous	51,245	3,218	107,570	150,411
Transfers	(913,276)	(58,992)	(604,095)	(636,276)
Total governmental activities	$ 5,035,953	$ 6,634,110	$ 6,513,288	$ 7,144,637
Business-type activities:				
Investment income	$ 3,112	$ 9,326	$ 17,280	$ 27,765
Transfers	98,276	58,992	604,095	636,276
Total business-type activites	101,388	68,318	621,375	664,041
Total primary government	$ 5,137,341	$ 6,702,428	$ 7,134,663	$ 7,808,678
CHANGE IN NET POSTION				
Governmental activities	$ 2,522,138	$ 1,528,357	$ 788,287	$ 3,287,425
Business-type activities	2,926,755	1,502,494	3,323,300	7,694,724
Total primary goverment	$ 5,448,893	$ 3,030,851	$ 4,111,587	$ 10,982,149

TABLE 2

2019	2020	2021	2022	2023	2024
$ 5,069,547	$ 6,076,106	$ 6,316,489	$ 6,635,038	$ 7,491,575	$ 8,298,368
1,871,591	2,102,427	3,037,816	3,998,715	4,749,474	4,742,175
1,089,316	965,376	921,852	1,094,077	1,297,690	1,235,511
141,058	126,847	85,813	185,302	950,727	1,074,471
82,082	94,724	153,390	204,191	93,149	357,329
(22,317)	26,314	125,000	641,401	3,941,337	(1,239,198)
$ 8,231,277	$ 9,391,794	$ 10,640,360	$ 12,758,724	$ 18,523,952	$ 14,468,656
$ 27,928	$ 36,162	$ 30,679	$ 35,239	$ 265,919	$ 633,606
197,550	(26,314)	(125,000)	(641,401)	(3,941,337)	1,239,198
225,478	9,848	(94,321)	(606,162)	(3,675,418)	1,872,804
$ 8,456,755	$ 9,401,642	$ 10,546,039	$ 12,152,562	$ 14,848,534	$ 16,341,460
$ 2,209,782	$ 4,747,537	$ 4,913,853	$ 4,929,288	$ 6,802,925	$ (746,435)
700,556	604,664	1,234,161	9,620,274	(2,313,025)	2,132,041
$ 2,910,338	$ 5,352,201	$ 6,148,014	$ 14,549,562	$ 4,489,900	$ 1,385,606

TOWN OF SUNNYVALE, TX

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACOUNTING)
(Unaudited)

	2015	2016	2017	2018
General Fund				
Nonspendable	$ 40,603	$ 31,015	$ 20,685	$ 45,000
Restricted	151,331	350,318	-	-
Assigned	735,335	406,307	476,843	557,219
Unassigned	4,247,916	4,686,749	4,819,339	5,054,193
Total General Fund	$ 5,175,185	$ 5,474,389	$ 5,316,867	$ 5,656,412
All Other Governmental Funds				
Restricted for				
Court Use	$ 112,448	$ 164,958	$ 171,360	$ 193,524
Capital Improvements	904,966	1,126,413	1,373,872	1,531,075
Debt Service	231,611	207,146	175,013	248,126
Community Development	80,368	54,092	68,041	68,543
Economic development	-	-	-	-
Assigned for:				
Police	-	-	-	4,355,897
Capital Improvements	895,936	898,616	5,194,458	-
Community Services	-	-	-	-
Unassigned	(3,200)	(3,200)	-	-
Total all other Governmental Funds	$ 2,222,129	$ 2,448,025	$ 6,982,744	$ 6,397,165

2019	2020	2021	2022	2023	2024
$ 35,000	$ 240,630	$ 241,972	$ 231,631	$ 2,000	$ 2,000
-	-	-	-	-	-
640,984	746,346	883,557	1,053,557	1,841,478	1,957,026
5,847,140	6,386,587	8,409,574	8,411,592	9,387,048	4,818,998
$ 6,523,124	$ 7,373,563	$ 9,535,103	$ 9,696,780	$ 11,230,526	$ 6,778,024
$ 197,437	$ 244,945	$ 125,414	$ 148,641	$ 177,349	$ -
2,181,748	2,508,635	2,231,163	1,732,804	7,861,741	9,238,337
328,550	86,437	441,447	615,550	309,584	261,889
69,062	69,583	70,106	70,634	72,559	14,840
-	-	-	-	-	320,937
-	-	-	-	-	-
6,547,278	15,867,732	1,880,596	9,444,840	4,652,605	-
-	2,371,519	13,351,835	1,401,259	1,439,436	1,585,585
-	-	-	-	-	-
$ 9,324,075	$ 21,148,851	$ 18,100,561	$ 13,413,728	$ 14,513,274	$ 11,421,588

TOWN OF SUNNYVALE, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
REVENUES				
Taxes				
Property taxes	$ 3,400,741	$ 3,750,703	$ 4,248,741	$ 4,528,010
Sales lax	1,375,840	1,751,597	1,505	2,043,801
Franchise tax	1,205,928	1,158,235	1,105,973	1,081,673
Licenses and Permits	183,582	357,698	497,981	512,303
Fines and forfeitures	299,291	503,179	495,435	548,289
Charge for Current Services	44,415	43,742	49,486	44,080
Impact fees	101,283	221,217	232,465	389,576
Grants	-	-	-	13,195
Donations	687	1,119	1,085	620
Investment income	1,085	3,218	27	117,697
Intergovernmental	195	170,162	256,290	84,730
Miscellaneous	51,245	5,844	106	5,130
Total Revenues	6,840,486	7,956,714	8,684,933	9,369,104
EXPENDITURES				
General government	930,884	1,068,827	1,705,243	1,423,454
Public Safety	2,259,340	2,452,774	2,364,482	3,574,902
Public Works	444,662	1,459,117	1,033,291	908,421
Parks and Recreation	438,869	390,696	370,788	602,178
Publice Services and Operations	836,325	741,970	812,361	1,116,323
Library	146,395	193,428	179,388	197,395
Capital Outlay	1,095,256	425,501	772,040	210,724
Debt service				
Principal Retirement	450,000	634,097	660,170	681,804
Interest and other charges	103,540	97,619	193,033	245,412
Bond issuance costs	23,041	-	-	-
Total Expenditures	6,728,312	7,464,229	8,090,796	8,960,613
EXCESS (deficiency) OF REVENUES OVER (UNDER) EXPENDITURES	$ 112,174	$ 502,485	$ 594,137	$ 408,491
OTHER FINANCING SOURCES (USES)				
Transfers	$ (98,276)	$ (58,992)	$ (604,095)	$ (654,518)
Gain on sale of assets	7,880	81,607	26,573	-
Capilal leases	-	-	-	-
Issuance of Tax Note	785,000	-	-	-
Issuance of Certificates of Obligation	-	-	4,360,581	-
Bonds and Premiums on bonds issued	-	-	-	-
Paymerns to refinanced bond escrow agent	-	-	-	-
Total other financing sources (uses)	694,604	22,615	3,733,059	(664,518)
NET CHANGE IN FUND BALANCES	$ 806,778	$ 525,100	$ 4,377,196	$ (246,027)
Debt service as a percentage of noncapltal expenditures	9.83%	10.40%	11.66%	10.60%

TABLE 4

2019	2020	2021	2022	2023	2024
$ 5,069,550	$ 5,911,019	$ 6,316,489	$ 6,535,038	$ 7,475,596	$ 8,274,980
1,871,591	2,102,427	3,037,515	3,998,715	4,749,474	4,742,175
1,069,315	965,376	921,552	1,094,077	1,297,690	1,235,511
560,751	844,143	1,099,596	1,010,203	924,217	775,153
405,755	228,992	273,119	217,870	228,089	622,351
135,958	139,058	180,155	203,491	214,094	877,872
865,862	331,539	682,769	399,476	647,015	261,287
9,018	312,981	67,330	99,125	-	-
-	39,571	9,530	15,719	-	-
141,058	126,847	85,813	185,302	950,727	1,074,471
904,845	3,299,607	2,158,801	1,574,731	1,013,882	1,046,283
82,082	92,273	153,390	204,191	93,149	357,329
10,935,788	14,393,833	14,986,660	15,637,938	17,593,933	19,267,412
1,621,591	1,568,836	1,787,833	1,806,167	3,305,150	3,380,625
3,749,566	4,923,250	4,071,969	4,445,193	6,337,102	7,799,617
546,769	190,253	306,095	1,440,039	291,854	1,229,283
620,870	537,074	606,795	619,169	-	-
767,562	1,007,254	2,518,133	2,048,056	1,167,756	1,574,091
203,300	208,981	214,248	217,010	-	-
2,581,160	5,883,796	4,432,963	8,900,849	10,027,616	15,789,342
420,000	985,000	1,035,000	1,075,000	2,265,195	1,997,083
176,184	547,737	813,803	740,649	721,332	802,361
-	233,181	(47,853)	27,257	139,625	140,242
10,787,002	16,085,362	15,738,986	21,319,389	24,255,630	32,712,644
$ 148,784	$ (1,691,529)	$ (752,326)	$ (5,681,451)	$ (6,661,697)	$ (13,445,232)
$ (22,317)	$ 26,314	$ 125,000	$ 641,401	$ 3,941,337	$ (1,239,198)
-	2,451	-	-	-	-
-	-	(259,424)	-	-	-
-	-	-	-	4,680,000	6,560,000
3,500,000	14,338	-	-	-	-
-	-	-	1,503,539	161,625	580,242
-	-	-	(1,457,070)	-	-
3,477,683	14,366,744	(134,424)	687,870	8,782,962	5,901,044
$ 3,628,467	$ 12,675,215	$ (886,750)	$ (4,993,581)	$ 2,121,265	$ (7,544,188)
5.53%	10.98%	11.44%	8.64%	31.48%	15.60%

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TOWN OF SUNNYVALE, TEXAS **TABLE 5**

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Total
2015	$ 3,314,131	$ 1,376,840	$ 1,205,928	$ 5,896,899
2016	3,774,207	1,751,597	1,158,235	6,684,039
2017	4,272,558	1,604,731	1,105,973	6,983,262
2018	4,499,897	2,046,801	1,081,674	7,628,372
2019	6,076,106	2,102,427	965,376	9,143,909
2020	6,316,489	3,037,816	921,852	10,276,157
2021	6,316,489	3,037,816	921,852	10,276,157
2022	6,635,038	3,998,715	1,094,077	11,727,830
2023	7,491,575	4,749,474	1,297,690	13,538,739
2024	8,274,980	4,742,175	1,235,511	14,252,666

TOWN OF SUNNYVALE, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended Sept. 30	Estimated Actual Value		LESS		Total Taxable Assessed Value
	Real Property	Personal Property	Homestead Cap	Tax Exempt Real Property	
2015	$ 888,189,540	$ 218,121,640	$ -	$ 274,631,565	$ 831,679,615
2016	931,852,220	294,122,850	-	301,684,556	924,290,514
2017	1,032,922,190	303,227,460	-	364,392,341	971,757,309
2018	1,118,858,490	304,117,440	-	351,596,731	1,071,379,199
2019	1,227,127,840	310,753,650	-	396,894,926	1,225,860,828
2020	1,320,984,780	333,901,780	-	406,504,068	1,301,482,969
2021	1,444,123,102	360,761,250	-	402,590,673	1,399,554,157
2022	1,603,528,910	384,549,740	-	458,415,449	1,524,663,201
2023	1,849,916,390	386,310,990	-	532,749,904	1,703,477,476
2024	2,380,156,860	484,599,200	497,501,708	512,133,943	1,855,120,409

Source: Town Administration Office.

Note: Property is reassessed annually. Property is assessed actual value; therefore, the assessed values are equal to actual value.

Tax rates are per $100 of assessed value.

Residential: includes single family, vacant lots, acreage, farm and ranch
Commercial: includes real property, industrial and utilities

Total Direct Tax Rate	Total Taxable Assessed Value Inc / (Dec)
0.40796	3.20%
0.40796	10.02%
0.40796	4.88%
0.41309	9.30%
0.41290	12.60%
0.45670	5.81%
0.45670	7.01%
0.45300	8.52%
0.45300	8.00%
0.45300	8.04%

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TOWN OF SUNNYVALE, TEXAS **TABLE 7**

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(PER $100 OF ASSESSED VALUE)
(unaudited)

	Town Direct Rates			Overlapping Rates *		
Fiscal Year Ended Sept. 30	Operating/ General Rate	General Obligation Debt Service	Total Direct	Sunnyvale Independent School District	Dallas County	Total Direct and Overlapping Rates
2015	0.3368	0.0712	0.4080	1.4100	0.2431	2.0611
2016	0.3392	0.0688	0.4080	1.4100	0.2431	2.0611
2017	0.3392	0.0688	0.4080	1.4100	0.2431	2.0611
2018	0.3485	0.0646	0.4131	1.5200	0.2431	2.1762
2019	0.3391	0.0738	0.4129	1.4500	0.2431	2.1060
2020	0.3570	0.0997	0.4567	1.4500	0.2431	2.1498
2021	0.3105	0.1462	0.4567	1.3892	0.2397	2.0856
2022	0.3212	0.1318	0.4530	1.3420	0.2279	2.0229
2023	0.3069	0.1461	0.4530	1.3746	0.2179	2.0455
2024	0.3069	0.1461	0.4530	1.1892	0.2157	1.8579

Source: Dallas Central Appraisal District and Dallas County Tax Office

*Overlapping rates are those of local and county governments that apply to property owners within the Town of Sunnyvale, Texas.

TOWN OF SUNNYVALE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(unaudited)

	2024[1]		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DAL TILE CORPORATION	$ 110,278,139	1	5.94%
SUNNYVALE BUSINESS CENTER JV	56,018,200	3	3.02%
LLH MRS MASTER RE LLC	39,171,398	2	2.11%
HOMATEX LP	37,184,400	4	2.00%
GC PACKAGING LLC	23,079,325	5	1.24%
SABRA TEXAS PROPERTIES LP	22,500,000	6	1.21%
LANDMARK INDUSTRIAL AT SUNNYVALE	20,463,490	7	1.10%
ONCOR ELECTRIC DELIVERY	18,374,500	8	0.99%
TR SUNNYVALE WEST LLC	17,053,930	9	0.92%
RKS SUNNYVALE LLC	13,713,740	10	0.74%
AMERICAN MARAZZI TILE			
SABRA TEXAS PROPERTIES LP			
HOMATEX LP			
MILLARD REFRIGERATED SERVICES			
DAL TILE CORPORATION			
301 CLAY ROAD LLC			
ARHC SMSVL T01 LLC			
ONCOR ELECTRIC DELVERY CO			
JOHN SOULES FOODS			
PILGRIMS PRIDE CORP			
Total	$ 357,837,122		19.29%
Total valuation of Town net of exempt property	$ 1,855,120,409		

Source: [1] Dallas County Tax Office

2015[1]		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
$ 28,976,717	1	3.48%
25,449,484	2	3.06%
15,720,060	3	1.89%
12,718,595	4	1.53%
12,134,113	5	1.46%
11,692,210	6	1.41%
9,935,000	7	1.19%
7,855,180	8	0.94%
6,309,520	9	0.76%
6,109,368	10	0.73%
$ 136,900,247		16.46%
$ 831,679,615		

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TOWN OF SUNNYVALE, TEXAS **TABLE 9**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended Sept. 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	$ 3,392,837	$ 3,335,116	98.30%	$ 53,736	$ 3,388,852	99.9%
2016	3,746,450	3,696,188	98.66%	43,874	3,740,062	99.8%
2017	3,903,070	3,874,714	99.27%	24,230	3,898,944	99.9%
2018	4,384,310	4,359,156	99.43%	20,069	4,379,225	99.9%
2019	5,006,961	4,965,023	99.16%	30,547	4,995,570	99.8%
2020	5,870,068	5,842,547	99.53%	17,831	5,860,378	99.8%
2021	6,373,728	6,343,125	99.52%	19,834	6,362,960	99.8%
2022	6,685,967	6,718,767	100.49%	(42,094)	6,676,673	99.9%
2023	7,512,019	7,468,077	99.42%	60,871	7,528,948	100.2%
2024	8,403,695	8,272,011	98.43%	-	8,272,011	98.4%

Source: Dallas County Tax Office Year End Report, Texas

TOWN OF SUNNYVALE, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Governmental Activities				
	General Obligations	Certificates of Obligation	Tax Note	Bond Premiums	Financed Purchases
2015	$ 3,728,105	$ -	$ 735,000	$ -	$ -
2016	3,296,169	-	615,000	-	492,457
2017	7,188,501	-	495,000	-	402,288
2018	6,685,786	-	375,000	-	310,484
2019	6,358,071	-	3,810,000	-	217,016
2020	6,020,456	-	3,270,000	-	648,261
2021	1,540,000	15,750,000	2,690,000	-	514,795
2022	1,340,000	15,545,000	2,690,000	1,944,051	345,415
2023	1,150,000	15,265,000	5,120,000	1,773,301	280,220
2024	950,000	14,910,000	10,305,000	2,021,168	205,019

Note 1: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See Table 15 for personal income and population data.

Business-Type Activities			
Certificates of Obligation	General Obligations	Other Obligations	Total Primary Government
$ 2,641,573	$ 2,588,576	$ 109,623	$ 9,802,877
2,608,603	2,135,000	144,040	9,291,269
2,468,477	1,820,000	132,031	12,506,297
2,328,824	1,675,000	120,024	11,495,118
2,184,172	1,530,000	108,018	14,207,277
2,034,521	1,380,000	96,012	13,449,250
3,025,000	2,860,000	1,027,372	27,407,167
3,910,000	1,555,000	619,824	27,949,290
4,164,246	1,485,281	59,995	29,298,043
3,815,283	1,361,239	47,989	33,615,698

TOWN OF SUNNYVALE, TEXAS **TABLE 11**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Total Primary Government	Total Taxable (1) Assessed Value	Percentage Actual Tax Value of Property	(2) Estimated Population	Per Capita (1)
2015	$ 9,291,269	$ 924,290,514	1.01%	6,251	0.0673%
2016	12,506,297	971,757,309	1.29%	6,504	0.0520%
2017	11,495,118	1,071,379,199	1.07%	6,678	0.0581%
2018	14,207,277	1,225,860,828	1.16%	6,690	0.0471%
2019	13,449,250	1,301,482,969	1.03%	6,841	0.0509%
2020	27,407,167	1,399,554,157	1.96%	7,270	0.0265%
2021	26,005,239	1,524,663,201	1.71%	7,893	0.0304%
2022	23,775,435	1,703,477,476	1.40%	8,536	0.0359%
2023	27,184,527	1,855,120,409	1.47%	9,092	0.0334%
2024	31,341,522	1,855,120,409	1.69%	9,092	0.0290%

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Source:

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 6 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on Table 15.

TOWN OF SUNNYVALE, TEXAS **TABLE 12**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2024
(unaudited)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area [1]	Town Share of Overlapping Debt
Dallas County	$198,645,000	0.56%	$ 1,112,412
Dallas County CCD	527,660,000	0.56%	2,954,896
Dallas County Hospital District	318,675,000	0.56%	1,784,580
Sunnyvale I S D	77,747,574	98.36%	76,472,514
	$ 1,122,727,574		82,324,402
Town of Sunnyvale, Texas direct debt			28,391,187
			$ 110,715,589
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of fair value)			5.36%
Per capita overlapping bonded debt			$ 12,452

Source: "Texas Municipal Report" , prepared by the Municipal Advisory Council.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping government that is borne by the residents and businesses of the Town of Sunnyvale. This process recognizes that, when considering the Town of Sunnyvale's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the Town of Sunnyvale's boundaries and dividing it by the overlapping government's total taxable assessed value.

TOWN OF SUNNYVALE, TEXAS **TABLE 13**

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(unaudited)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Debt Limit	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Current Tax Rate	0.40796	0.40796	0.40796	0.40796	0.41309
Available Tax Rate	$ 2.09204	$ 2.09204	$ 2.09204	$ 2.09204	$ 2.08691
Total net debt applicable to the limit as a percentage of debt limit	19.50%	19.50%	19.50%	19.50%	19.79%

	FISCAL YEAR				
	2020	2021	2022	2023	2024
Debt Limit	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Current Tax Rate	0.45670	0.45670	0.45300	0.45300	0.45300
Available Tax Rate	$ 2.04330	$ 2.04330	$ 2.04700	$ 2.04700	$ 2.04700
Total net debt applicable to the limit as a percentage of debt limit	22.35%	22.35%	22.13%	22.13%	22.13%

TOWN OF SUNNYVALE, TEXAS **TABLE 14**

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Tax and Revenue Refunding Bonds					
	Total Revenues [a]	Less: Operating Expenses [b]	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2015	$ 4,079,273	$ 3,118,955	$ 960,318	$ 425,000	$ 163,950	1.63
2016	4,208,074	3,703,658	504,416	440,000	152,375	0.85
2017	4,381,231	3,734,548	646,683	275,000	143,075	1.55
2018	5,407,543	4,280,436	1,127,107	280,000	134,800	2.72
2019	5,423,887	4,553,974	869,913	290,000	124,875	2.10
2020	6,221,833	5,677,392	544,411	375,000	242,147	0.88
2021	6,897,528	6,128,077	769,451	420,000	205,716	1.23
2022	9,219,975	6,541,283	2,678,692	420,000	211,050	4.24
2023	9,652,308	6,282,804	3,369,504	405,000	203,450	5.54
2024	9,864,473	7,870,293	1,994,180	430,000	189,425	3.22

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

[a] Revenue does not include transfers or non-operating revenues.

[b] Includes operating expenses minus depreciation, bond issuance costs, and other non-operating expenses.

TOWN OF SUNNYVALE, TEXAS **TABLE 15**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Estimated Population [1]	Median Household Income	5 Median Property Value	Per Capita Personal Income [2]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2015	6,126	(a)	$ 296,964	$ 43,371	41.9	1565	4.0%
2016	6,251	(a)	304,560	41,398	39.6	1638	3.9%
2017	6,504	(a)	335,798	47,035	40.4	1752	4.0%
2018	6,678	$ 175,169	365,493	48,606	38	1814	3.7%
2019	6,690	183,238	393,798	44,107	40.8	1931	3.3%
2020	6,841 **	200,642	400,266	46,645	41	2023	7.5%
2021	7,270	204,583	415,299	46,645	40	1976	7.2%
2022	7,893	137,656	435,168	48,263 (b)	41	2104	3.3%
2023	8,536	140,535	495,995	59,789	43	2111	2.8%
2024	9,092	152,632	624,478	59,789	43	2294	3.7%

Sources:
1 , NCTCOG 2023 Estimates Publication
2 U.S. Census Bureau Quickfacts
3. Sunnyvale Independent School District, Texas Education Agency
4. US Department of Labor - Bureau of Labor Statistics - DFW Region
5. American community survey
** Estimated
(a) Information not available
(b) TX HomeTownLocator (as of July 1, 2022)
(c) US Census Bureau - American Fact Finder (2017-2021 5 year estimate)

TOWN OF SUNNYVALE, TEXAS **TABLE 16**

TOP TEN PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(unaudited)

		2024	2015
Name of Firm	Business Sector	Number of Employees	Number of Employees
Lineage Logistics	Warehouse & Distribution	17000	*
Associated truss & Lumber	Wood Truss and Commercial Lumber	12,979	*
Adell of Texas	Automotive Parts	862	*
Texas Regional Medical Center	Health Care	700	*
McEloy Metal	Cold Rolled Steel	651	*
American Marazzi Tile	Tile	632	*
Dal-tile	Warehouse & Distribution	415	*
JRayl Trucking	Transportation	400	*
Baylor Scott & White	Health Care	295	*
Sunnyvale ISD	Education	264	*

* information was not recorded for these years.

Source: City staff and statistical projections based on U.S. Census Bureau data

TOWN OF SUNNYVALE, TEXAS

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year				
Function / Program	2015	2016	2017	2018	2019
General government					
Administrative Services					
Town Manager	1.00	1.00	1.00	2.00	2.00
Human Resource	-	-	-	-	-
Town Secretary	1.00	1.00	1.00	1.00	1.00
Secretary/Admin Assistant	1.00	1.00	-	-	-
Economic Development	1.00	1.00	1.00	1.00	1.50
Financial Services					
Finance	3.00	3.00	3.00	3.00	3.00
Municipal Court	2.00	2.00	3.00	2.00	2.00
Municipal Court Judge	1.00	1.00	1.00	1.00	1.00
Library	2.50	2.50	2.50	2.80	2.80
Public Safety					
Police **	-	-	-	-	-
Fire	5.00	5.00	5.00	8.00	15.00
Development Services	5.00	5.00	5.00	6.00	6.00
Animal Control				1.00	1.50
Engineering				1.00	1.00
Parks & Streets	7.00	7.00	8.00	8.00	7.00
Water and Sewer Systems	6.00	6.00	7.00	8.00	8.00
Water Finance	2.00	2.00	2.00	2.00	2.00
Total	35.50	35.50	37.50	46.80	53.80

Source: Town Administration Office.
** All positions contracted with Dallas County thru 2019

Fiscal Year				
2020	2021	2022	2023	2024
2.00	2.00	2.00	2.00	3.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
-	-	-	-	-
1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	4.50	4.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
2.80	2.80	2.80	2.80	3.00
20.00	21.00	22.00	25.00	27.00
15.00	17.50	19.50	23.50	23.50
6.00	6.00	6.00	6.00	6.00
1.50	1.50	1.50	1.50	2.00
1.00	1.00	1.00	1.00	2.00
5.00	6.00	6.00	7.00	7.00
8.00	10.00	10.50	10.50	10.50
3.00	3.00	3.00	3.00	4.00
73.30	79.80	83.30	92.80	98.50

TOWN OF SUNNYVALE, TEXAS

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Function/Program				
Judicial				
Municipal Court Fines	$ 370,378	$ 426,246	$ 457,607	$ 520,854
Police				
Trafic Stops	(a)	(a)	(a)	(a)
Citations Issued	(a)	(a)	(a)	(a)
Warning issued	(a)	(a)	(a)	(a)
Fire				
Fire Calls	38	42	28	27
Fire Inspections	(a)	(a)	(a)	(a)
New Development				
Permits Issued (Units)	44	108	90	97
Permit Value	$14,041,157	$55,916,721	$60,916,508	$117,621,670
Streets				
Miles of Streets Maintained	57.63	59.11	60.11	63.71
Health				
Animals Impounded	133	168	178	170
Animals Adopted	(a)	(a)	(a)	(a)
Cultural and Recreational				
Parks				
Parks Maintained	5	5	5	5
Town hall rentals	(a)	(a)	(a)	(a)
Park Rentals	(a)	(a)	(a)	(a)
Field reservation rentals	(a)	(a)	(a)	(a)
Sanitation Service				
Refuse Customers	1,947	1,965	2,071	2,153
Water				
Number of Water Customers	2,256	2,336	2,492	2,597
Estimated Gallons Billed (in thousands)	478,108	462,682	450,176	584,989
Sewer				
Number of Wastewater Customers	1,587	1,641	1,741	1,820

Sources: Various government departments.
(a) Information not available

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 446,479	$ 245,275	$ 271,911	$ 216,701	$ 167,937	$ 490,846
(a)	(a)	(a)	(a)	(a)	8,263
(a)	(a)	(a)	(a)	(a)	8,173
(a)	(a)	(a)	(a)	(a)	3,400
30	34	33	48	335	416
(a)	(a)	(a)	720	675	697
137	118	136	105	95	109
$71,822,780	$62,023,915	$ 2,173,964	$79,145,500	$ 1,678,481	$ 2,064,299
63.71	63.71	68.26	70.26	60.71	81
166	178	193	242	78	262
(a)	(a)	(a)	(a)	(a)	119
5	5	5	5	5	5
(a)	(a)	(a)	(a)	51	55
(a)	(a)	(a)	(a)	237	67
307	289	368	367	381	403
2,245	2,366	2,427	2,562	2,661	2,771
2,740	2,853	2,915	3,125	3,240	3,320
499,961	565,437	624,238	719,167	743,031	729,423
1,919	2,047	2,113	2,258	2,372	2,462

TOWN OF SUNNYVALE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS
(unaudited)

Function	Fiscal Year 2015	2016	2017	2018
Police				
Number of Stations	1	1	1	1
Fire				
Number of Stations	1	1	1	1
Fire Hydrants	796	842	875	940
Streets				
Miles of Streets	57.63	59.11	60.11	63.71
Cultural and Recreational				
Parks Maintained	5	5	5	5
Water				
Water Storage Capacity (gallons)	800,000	800,000	1,725,000	1,750,000

Sources: Various government departments.

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
1 952	1 955	1 989	1 994	1 994	1 994
63.71	63.91	68.26	70.26	70.26	70.26
5	5	5	5	5	5
1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000

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COMPLIANCE SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and
Members of the Town Council
Town of Sunnyvale, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Sunnyvale, Texas (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 10, 2025